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Japan

U.S. Said Urging Tokyo To Boost Chip Imports

OW2010004993 Tokyo KYODO in English 0017 GMT 20 Oct 93

[Text] Washington, Oct. 19 KYODO—The United States urged Japan on Tuesday [19 October] to increase its imports of semiconductor products, particularly microchips used in automobiles and telecommunications equipment, Japanese officials said.

U.S. trade officials outlined the request in a meeting in Washington with officials of Japan's Ministry of International Trade and Industry (MITI) aimed at easing frictions on semiconductor trade between the two countries.

Japanese officials briefing reporters on the meeting said the U.S. side reiterated concern about a decline in the share of foreign-made chips in the Japanese market in two consecutive quarters this year and said they wanted the trend reversed.

MITI officials promised to prod Japanese automobile and telecom equipment makers to look into the possibility of using more foreign-made chips in their products but refused to give specific assurances on sale prospects.

"We promised them to pass on the information to our domestic users, but there is nothing in the semiconductor agreement about specific product sectors," a Japanese official said.

Under the 1991 bilateral accord, Tokyo promised to help boost the share of foreign-made semiconductor products to 20 percent of the Japanese market by 1992.

According to Japanese officials, Japanese automobile and telecom companies currently buy less than 10 percent of the microchips they use in their products from foreign suppliers.

U.S. officials told the MITI delegation that U.S. microchip suppliers are particularly interested in the sale of microprocessors for engine control, power windows and air-conditioning in automobiles.

While promising to help boost sales of foreign-made microchips in Japan, the Japanese side once again rejected a U.S. demand that Japanese manufacturers buy at least 20 percent of chips used in their products from foreign suppliers this year.

The share of foreign-made microchips surged by more than 4 percentage points to 20.2 percent of the Japanese market in the fourth quarter last year but fell to 19.2 percent in the second quarter this year.

Mickey Kantor, the U.S. trade representative, has expressed "grave concern" about the fall in market share, saying Washington expects the foreign market share to average a minimum 20 percent for each quarter of this year. The Japanese have refused to be bound by the target on grounds that there are no market-share provisions in the 1991 trade accord beyond 1992.

Boeing on Participation in Aircraft Project

OW2010074393 Tokyo KYODO in English 0712 GMT 20 Oct 93

[Text] Tokyo, Oct. 20 KYODO—Senior Boeing Co. officials suggested Wednesday [20 October] that the American company may participate in Japan's next-generation commercial aircraft (YSX) development project.

Dean D. Thornton and Ronald B. Woodard, president and vice president of the company's commercial airliner group, told a news conference that the world's leading commercial aircraft maker has been asked to participate in the project.

The project calls for the development of a medium-sized airliner with seating capacity of 70 to 80 as a successor to the YS11 turboprop airliner, the production of which was suspended in fiscal year 1972.

Joint feasibility studies are under way by the Ministry of International Trade and Industry (MITI) and the aviation industry.

The Boeing executives predicted that the company is expected to receive by the end of this year the first order for the 737X, an improved version of the Boeing 737 jetliner.

Woodard said it is too early for the company to decide whether Japanese aircraft makers will be allowed to join the project.

U.S., Tokyo Officials on Auto, Parts Talks

OW2010124093 Tokyo KYODO in English 1203 GMT 20 Oct 93

[Text] Tokyo, Oct. 20 KYODO—The United States talked numbers Wednesday [20 October] in urging Japan to further open its market to foreign autos and auto parts, while Tokyo urged more efforts from the U.S. The U.S. took a "results-oriented approach" in seeking to boost sales of foreign cars and parts in Japan and by Japanese "transplant" companies in the U.S., both sides said afterward.

Tokyo proposed a "cooperation approach" and urged the U.S. to try harder to compete on price and quality, and expand after-sale service, a Japanese official said.

A U.S. official predicted the two countries would meet a January 31 deadline for agreement in the talks held under a bilateral trade framework accord. The U.S. official told reporters he also expects Japan to meet its 1991 pledge of buying 19 billion dollars worth of U.S.-made auto parts in the fiscal year starting next April.

Neither official agreed to be quoted by name. Avoiding details of the talks, the U.S. official said the import share of the Japanese car market was 3 percent, compared with 22-78 percent in countries including Australia, Britain, Germany, Italy, France and Sweden.

The Japanese official said in a separate briefing to reporters that U.S. negotiators referred to the share of foreign automotive products in various countries but "made little mention of U.S. efforts." Japan expressed concern "that the government not intervene excessively in private business" matters, the Japanese official said. "Share is a matter for the market to decide."

The U.S. official responded, "This is at heart a market-access negotiation and there is much that governments can do to enhance market access."

He cited standards and certification, access to data, stronger use of antimonopoly laws and further import promotion. The Japanese official said there are no systemic barriers to foreign entry, adding sales depend on consumer choice.

U.S. negotiators seemed to expect further gains in the parts sector after the target year of fiscal 1994, the Japanese official said.

But the U.S. official said there were "no projections over a future period" in the talks, led by the U.S. Commerce Department and Japan's Ministry of International Trade and Industry.

Food Agency Introduces New Retail Rice Prices

OW2010124793 Tokyo KYODO in English 1223 GMT 20 Oct 93

[Text] Tokyo, Oct. 20 KYODO—The Food Agency has introduced new retail prices for standard rice brands and allowed prefectural authorities to raise the prices by about 25 percent to a maximum of 4,800 yen for 10 kilograms, informed sources said Wednesday [20 October]. The sources said the higher priced rice will be sold at retailers across the nation from November 1.

The markup is designed to increase the volume of rice purchased by the government from farmers because of this year's poor harvest, they said. Farmers are reluctant to sell rice to the government at lower prices because of the harvest results.

The government purchases rice from growers at prices higher than it sells to consumers but lower than rice sold directly to wholesalers.

Under the current rules, the lowest rice retail price is set at 3,850 yen per 10 kilogram. The sources said the new prices of rice sold to consumers will be set between 3,850 yen and 4,800 yen per 10 kilograms.

Committee: Rice Market Should Remain Closed

OW2010131193 Tokyo KYODO in English 1234 GMT 20 Oct 93

[Text] Tokyo, Oct. 20 KYODO—Japan's planned purchase of rice as an emergency measure should not lead to the opening of the nation's rice market for imports, a government committee said Wednesday [20 October].

The Committee on Agriculture, Forestry and Fisheries of the House of Representatives made the call in a resolution it adopted unanimously in the day's meeting. It said the government should act in line with three resolutions adopted earlier in plenary sessions of the Diet to maintain self- sufficiency of rice.

During the 1980s, the Diet adopted three resolutions to keep a total ban on rice imports. Acknowledging poor rice harvests this year, it urged the government to take measures to maintain stable rice supplies based on the Foodstuff Control Law.

The planned imports of rice should be allowed in an emergency only, the committee said in the resolution. It also reiterated its opposition to the opening of Japan's heavily protected rice market as proposed by the Uruguay Round of World Trade Talks sponsored by the General Agreement on Tariffs and Trade (GATT).

Eijiro Hata, minister for agriculture, forestry and fisheries, reassured the committee that the government has no agreement with the United States on the rice liberalization issue and denied recent reports that the two nations are working on a secret deal.

Toshihiko Tsuruoka, director general of the Food Agency, told the committee that the rice crop index as of October 15 may show a worsening harvest situation, saying the index would dip into a level of 70, compared with 80 as registered September 15, against 100 for usual years.

Tsuruoka said the government will import about 130,000 tons of rice from Thailand by the end of the year.

Reportage on Nuclear Waste Dumping Continues

Russia 'Cannot Suspend' Dumping

OW2010004893 Tokyo KYODO in English 2341 GMT 19 Oct 93

[Text] Moscow, Oct. 19 KYODO—Russia can not immediately suspend its plans to dump more radioactive waste into the Sea of Japan, its Environment Minister, Viktor Danilov-Danilyan, said Tuesday [19 October]. Danilov-Danilyan, minister of environmental protection and natural resources, told Japanese Ambassador to Russia Sumio Edamura that suspending a proposed second dumping, scheduled for Wednesday, would pose difficulties for Russia.

On Sunday, the Russian Navy dumped some 900 tons of radioactive liquid waste in the sea 550 kilometers west of Hokkaido, Japan's northernmost main island.

The embassy said Edamura repeatedly requested a suspension of the dumping and that Danilov-Danilyan responded that he appreciates Japan's concern but can not suspend it.

Radiology Specialists Comment

OW1910135393 Tokyo KYODO in English 1326 GMT 19 Oct 93

[Text] Tokyo, Oct. 19 KYODO—Japanese radiology specialists said Tuesday [19 October] it is unlikely the amount of radiation dumped into the Sea of Japan by Russia will affect Japan, even as demands for a government probe grow in volume. Officials in charge of radiation affairs are scheduled to meet Wednesday and discuss plans to launch an emergency investigation into Russia's dumping at sea of radioactive liquefied waste.

Radiology experts say, however, that "looking at the amount of radiation, it is difficult to think" that Japan will be adversely affected by the dumping.

Russia said the radiation in the liquid waste it was dumping amounts to 80.66 billion becquerels, which is 2,700 times the amount of radioactive waste from Japan's nuclear power plants dumped into the ocean in fiscal 1991, excluding tritium. The Russian dumping, however, is less than half the amount permitted for the No. 1 nuclear power reactor at Tokyo Electric Power Co.'s Fukushima plant, for example, when compared to control targets for annual discharges.

Kiyoshi Nakamura, with the National Institute of Radiological Sciences, said "the former Soviet Union and Russia have continued to dump radioactive waste into the Sea of Japan over the past 30 years. "Over that time, Japan has tested the sea water and marine products for radiation, but has not discovered any effects.

"The dumping this time is also unlikely to have an effect on people," said Nakamura.

Yoshiyasu Hori, an executive with the Radioactive Waste Management Center, said there is "nothing surprising" about the amount of the disposal. "The sea water will dilute it and roughly speaking, there's no problem," he said.

Prefectural and local governments demanded Tuesday that Tokyo investigate the level of radioactive pollution resulting from some 900 tons of liquid nuclear waste dumped into the sea Sunday by Russia and another 800 tons scheduled to be dumped Wednesday.

Hata Phones Kozyrev To Urge Halt

OW2010014793 Tokyo KYODO in English 0131 GMT 20 Oct 93

[Text] Tokyo, Oct. 20 KYODO—Foreign Minister Tsutomu Hata telephoned his Russian counterpart Andrey Kozyrev on Wednesday [20 October] to call for an immediate halt to Russian nuclear waste dumping in the Sea of Japan, government officials said. Hata placed the emergency telephone call as Russia indicated it was intending to go ahead with a second dumping of radioactive waste in the Sea of Japan.

Kozyrev promised to pass on the Japanese request to Russian President Boris Yeltsin, the officials said.

The Russian Navy on Sunday dumped some 900 tons of radioactive liquid waste into the sea at a point about 550 kilometers west of Hokkaido, Japan's northernmost main island.

Tokyo Considers Approaching G-7

OW2010041993 Tokyo KYODO in English 0341 GMT 20 Oct 93

[Text] Tokyo, Oct. 20 KYODO—Japan is considering asking the Group of Seven (G-7) major industrialized nations to urge Russia to halt its dumping of nuclear waste in the Sea of Japan, Chief Cabinet Secretary Masayoshi Takemura said Wednesday [20 October]. Reports from Moscow said the Russian Navy plans to dispose of another 800 tons of nuclear waste in the Sea of Japan as early as Wednesday, following the 900 tons it dumped there on Sunday.

Despite Japan's repeated protests about the dumping, "regrettably, we have yet to receive any reply from Russia," Takemura said at a news conference.

The top government spokesman said Japan has not yet contacted its G-7 partners about Russia's nuclear waste disposal at sea. He said Japan will continue pressing Russia to halt the ocean dumping at a meeting of the London Convention on pollution and seawater set for November 8 and through the Japan-Russia working group on the matter.

The London Convention bans the dumping of high-level radioactive waste at sea and requires prior notification when low-level radioactive waste is dumped.

Takemura also said Japan wants to discuss with Russia the possibility of using part of its 100 million dollar grant for Russian nuclear disarmament on measures to keep Moscow from disposing of nuclear waste in the sea.

Russia admitted for the first time in March that it had disposed of nuclear waste into the Sea of Japan, the Sea of Okhotsk, the north Pacific and the Barents Sea between 1959 and 1992.

Foreign Minister Tsutomu Hata telephoned his Russian counterpart Andrey Kozyrev early Wednesday and urged Russia to immediately cease dumping nuclear waste in the Sea of Japan, Foreign Ministry officials said.

In a 20-minute telephone call, Hata said both he and Prime Minister Morihiro Hosokawa are concerned over the dumping and demanded that Russia call off a reported plan to dump a second load of radioactive waste in the Sea of Japan, the officials said.

Hata proposed the bilateral working group meet as soon as possible to discuss disposal of radioactive waste into the ocean and added that Japan is studying the possibility of cooperating with Russia on ways to stop such dumping, they said. The second bilateral working group meeting is scheduled to be held on November 10 and 11 in Moscow.

Hata asked Kozyrev to convey Japan's concern to Russian President Boris Yeltsin to "maintain a new foundation for promotion of Japan-Russia relations" which was built through Yeltsin's visit to Japan last week, the officials said. The foreign minister also urged Kozyrev to call on those related to the matter to halt the dumping.

Kozyrev told Hata the Russian public is also greatly interested in the problem and promised to pass on the Japanese request to Yeltsin, they said. He said cooperation between Japan and Russia is necessary to solve the problem and suggested speeding up joint investigations.

In Washington, a senior State Department official said U.S. Secretary of State Warren Christopher will raise the nuclear dumping issue in talks in Moscow with Russian leaders. The official said the matter is very important and is a subject for discussion with Japan and other U.S. allies. The State Department called on Russia on Monday to halt nuclear waste duming at sea.

Research Ships To Study Site

OW2010072293 Tokyo KYODO in English 0648 GMT 20 Oct 93

[Text] Tokyo, Oct. 20 KYODO—Japan on Wednesday [20 October] decided to dispatch research vessels to determine the level of radioactive contamination to water and marine life in the area of the Sea of Japan where Russia dumped about 900 tons of liquid nuclear waste Sunday.

Satsuki Eda, director general of the Science and Technology Agency, convened a government council meeting to discuss measures to cope with the nuclear dumping site, located about 550 kilometers west of Hokkaido. The council decided to send the survey vessels from the Maritime Safety Agency (MSA), Meteorological Agency, and Fisheries Agency to a region near the Russian Economic Zone and take water samples.

Researchers will determine the level of radioactivity in the water and see if fish in Sea of Japan have been contaminated. The first research vessel, the Meiyo of the MSA, is scheduled to leave Moji, Yamaguchi Prefecture Wednesday afternoon.

The Science and Technology Agency said that results of the survey will not be known for one or two months since an analysis of the samples will take time.

Since water samples taken outside the Russian Economic Zone will be insufficient, the council also decided that during a November 10-11 meeting in Moscow they will ask the Russian Government for a joint research project of waters within the 200-kilometer zone.

Russia To Dump More Waste 21 Oct

OW2010095193 Tokyo KYODO in English 0929 GMT 20 Oct 93

[Text] Tokyo, Oct. 20 KYODO—Russia will dump more radioactive waste into the Sea of Japan sometime from Thursday [21 October], a spokesman for the Russian Navy's Pacific Fleet said Wednesday.

The loading of the TNT-27 ship with some 700 tons of the waste at a port near Vladivostok will be completed by Wednesday, the senior public relations officer told KYODO NEWS SERVICE. He avoided saying when the ship will leave port on its dumping mission, which he said the Russian Government will decide. The waste will not have a bad effect on the sea environment, the spokesman said.

On Sunday, the Russian Navy dumped some 900 tons of radioactive liquid waste in the sea 550 kilometers west of Japan.

Earlier in the day, Viktor Danilov-Danilyan, minister of environmental protection and natural resources, told Japanese Ambassador to Russia Sumio Edamura in Moscow that Russia cannot immediately suspend its plans to dump more of the waste in the sea.

The Japanese Embassy said Edamura repeatedly requested a suspension of the dumping but Danilov-Danilyan responded that while he appreciates Japan's concern, he cannot stop it.

Planned 21 Oct Dumping Postponed

OW2010150993 Tokyo KYODO in English 1450 GMT 20 Oct 93

[Text] Tokyo, Oct. 20 KYODO—Russia plans to dump more radioactive waste into the Sea of Japan sometime over the next two weeks, Japanese Foreign Ministry officials said Wednesday [20 October]. The officials quoted a spokesman for the Russian Navy's Pacific Fleet as telling Toshio Inae, Japanese consul general in Nakhodka, that Russia will not dump radioactive waste Thursday as predicted.

The loading of the TNT-27 ship with some 700 tons of the waste at a port near Vladivostok will be completed by Thursday at the earliest, a senior public relations officer of the fleet told KYODO NEWS SERVICE. He avoided mentioning when the ship will leave port on its dumping mission, which he said the Russian Government will decide. The waste will not harm the sea environment, the spokesman said.

On Sunday, the Russian Navy dumped some 900 tons of radioactive liquid waste in the sea 550 kilometers west of Japan.

Earlier Wednesday, Viktor Danilov-Danilyan, minister of environmental protection and natural resources, told Japanese Ambassador to Russia Sumio Edamura in Moscow the plans to dump more of the waste at sea cannot be immediately suspended.

The Japanese Embassy said Edamura repeatedly requested a suspension but Danilov-Danilyan responded that while he appreciates Japan's concern, he cannot stop it.

Vasiliy Saplin, a diplomat at the Russian Embassy in Tokyo, told opposition Diet members he will urge Moscow to delay the second dumping. He made the pledge in a meeting with nine House of Representatives members from the Liberal Democratic Party, who demanded the dumping be stopped, party officials said.

Russia will announce that it will suspend the dumping of nuclear waste in the sea at a meeting of the London Convention in November, South Korean Foreign Minister Han Sung-chu said Wednesday. Han told a parliamentary committee that the Russian Government has informed Seoul of the decision.

Although South Korea protested against Russia's dumping Sunday of radioactive waste in the Sea of Japan, the nation cannot deal with the issue because it is not a member of the convention, Han said. Han said South Korea is proceeding with its plan to join the convention, which regulates dumping of radioactive waste in the sea, within this month.

Vasiliy Saplin, minister counsellor of the Russian Embassy in Tokyo, said he will urge the government to delay the second dumping of radioactive waste into the Sea of Japan.

He made the pledge in a meeting of nine House of Representatives members from the Liberal Democratic Party, who demanded the dumping be stopped, they said.

Akashi on Cambodia's Neighbors' Responsibility

OW1910150393 Tokyo KYODO in English 1430 GMT 19 Oct 93

[Text] Tokyo, Oct. 19 KYODO—United Nations Undersecretary General Yasushi Akashi said here Tuesday that Cambodia's neighbors must allow it the chance to meet its full economic potential.

"I think the responsibility of Cambodia's neighbors is very great," Akashi told reporters at the Japan National Press Club.

The former head of the recently-ended U.N. Transitional Authority in Cambodia (UNTAC) expressed concern that territorial disputes with neighboring countries could impede Cambodia's economic development.

Akashi said Cambodians are "extremely sensitive about integrity of their borders," having in the past brought a territorial dispute with Thailand before the International Court of Justice, which ruled in Phnom Penh's favor.

Thailand has recently lashed out at remarks from Phnom Penh officials that Bangkok is interfering in Cambodia's internal affairs by allegedly colluding with or assisting Khmer Rouge forces along the Thai-Cambodian border.

Last week, Thai Foreign Minister Prasong Sunsiri told Cambodia's Second Prime Minister Hun Sen that while Bangkok remains neutral on conflicts in Cambodia, it reserves the right to defend its territorial integrity if fighting there spills over into Thai territory.

The meeting followed renewed fierce fighting between the Khmer Rouge and government forces near a former U.N. checkpoint on the Thai-Cambodia border area, which has left at least 16 guerrillas and two government soldiers dead.

Bangkok has dismissed allegations that Khmer Rouge fighters launched attacks from Thai soil. It says Thai troops have been pulled back from parts of the common border in order to "avoid further misunderstanding."

Akashi Urges Contribution to UN Peacekeeping

OW1910120093 Tokyo KYODO in English 1120 GMT 19 Oct 93

[Text] Tokyo, Oct. 19 KYODO—UN Undersecretary General Yasushi Akashi urged Japan on Tuesday to contribute infantry units for future United Nations peacekeeping operations. Akashi told reporters it will "not be tolerated" if Japan confines its peacekeeping activities to within the bounds of its contribution to the recently concluded UN operation in Cambodia.

Akashi, the former head of the UN Transitional Authority in Cambodia (UNTAC), made the remarks at the Japan National Press Club. "With the UNTAC operation now over, I think it's high time Japan addresses seriously the direction it is to take with regard to future peacekeeping activities," said Akashi, who is in Japan on home leave from duties in New York.

Akashi, a Japanese national, said he wishes to see Japan contribute troops from its Self-Defense Forces (SDF) not only for rear-support duties, as was the case in Cambodia, "but by and by I would like to see Japan sometimes provide infantry." He added, however, that it is Japan's prerogative to decide what type of activities it should participate in.

As influencing factors, he cited Japan's constitutional constraints, as well as the cautious stance of the Japanese public on UN peacekeeping as reflected in opinion polls.

Referring to peace-enforcement activities, such as seen in the case of Somalia, he said, "I don't know if Japan is ripe enough to go into those types of areas. I believe Japan will make a good decision eventually and participate where people want Japan to go," he said.

Japan, in its first ever overseas deployment of ground troops after World War II, contributed two 600-strong engineering battalions for UNTAC, each of which served for six months. The last battalion returned in September.

The troops were engaged in noncombatant tasks such as reconstructing and repairing a national highway and bridges in southern Cambodia.

Japan also sent military observers and civilian police. The country enacted a UN peacekeeping cooperation law in June last year.

Akashi is scheduled to meet Friday with Prime Minister Morihiro Hosokawa and Foreign Minister Tsutomu Hata. He will have a meeting Thursday with Chief Cabinet Secretary Masayoshi Takemura.

Kono Against Participation in Peace Enforcement

OW1910132293 Tokyo KYODO in English 1229 GMT 19 Oct 93

[Text] Tokyo, Oct. 18 KYODO—Liberal Democratic Party (LDP) President Yohei Kono voiced strong opposition Tuesday to Japan's future participation in armed United Nations peace-enforcement operations.

"Opinions still vary on how the UN maintains security (in the world). We cannot be too careful on the matter," Kono said in an LDP-sponsored seminar held at party headquarters.

"I believe Japan need not take part in armed UN peace-enforcement operations immediately."

Earlier in the day, UN Undersecretary General Yasushi Akashi urged Japan to contribute infantry units for future UN peacekeeping operations.

Kono, the leader of the LDP, which in August lost its 38-year grip on power, suggested Tokyo should instead get results slowly but steadily from its participation in UN peacekeeping activities within the framework of its pacifist constitution.

Article 9 of Japan's Constitution forbids the use of force in resolving international conflicts.

Kono said that since international disputes stem mostly from the gap between rich and poor nations, Japan should help increase public welfare in poor countries by giving economic assistance.

To enhance security in the Asia-Pacific region, Japan should continue efforts to help coordinate interests among nations on multilateral negotiations, while maintaining its security arrangements with the United States in the future, he noted.

Kono, the only LDP president who has not become prime minister since the party's foundation in 1955, also said the nation needs to increase its productivity again to outperform potential economic powers in Asia.

While rejecting "unfair" practices in dealing with future economic rivals in the region, Kono said Japanese companies should funnel money and human resources into research and development to further strengthen its competitive edge.

Korean Paper Interviews Prime Minister 18 Oct

SK1910110793 Seoul TONG-A ILBO in Korean 19 Oct 93 p 3

[Report on interview with Japanese Prime Minister Morihito Hosokawa by Hong In-kon, TONG-A ILBO editor in chief, at the prime minister's official residence in Tokyo on 18 October]

[Text] Japanese Prime Minister Morihito Hosokawa on 18 October met with Hong In-kon, TONG-A ILBO editor in chief, and spoke about his views on ROK-Japanese relations and regional issues. Chong Ku-chong, head of the TONG-A ILBO Tokyo branch office; Pak Ki-chong, senior political affairs reporter; and Pae In-chun, Tokyo-based correspondent, were also present at the interview held in the official residence of the Japanese prime minister. The statements of the Japanese prime minister follows:

Plan To Visit the ROK

I wish to meet President Kim Yong-sam as soon as possible. If we follow the precedent, it is now the turn of the president of the ROK to visit Japan. I expressed my hope to visit the ROK with a light heart regardless of such a practice. The place has not been finalized and the Japanese parliament is currently in session. Because of this, my visit would be difficult during weekdays. Nevertheless, I am looking forward to visiting the ROK and meeting with the president.

Before that time, I wish to have a dialogue with President Kim when I attend the Asian-Pacific Economic Council, which is scheduled to be held in the United States in mid-November. As the Japanese parliament is in session, however, it will be difficult for me to have time to hold talks with the summit leaders of each nation, other than attending official conferences. Therefore, I had wished to meet President Kim before this summit.

ROK-Japan Summit Talks

I have not been able to think of concrete topics up to now. The topics will be discussed through diplomatic channels within a week or 10 days. I wish to exchange dialogue on the overall international situation, including the North Korean nuclear issue. I also want to discuss the issue of Russia's dumping nuclear wastes into the ocean.

North Korean Nuclear Issue

This issue is related to the overall East Asian situation. This issue is a task for which the ROK, the United States, and Japan should maintain close cooperation and liaison. In particular, as the prospect for U.S.-North Korea talks is still uncertain, we should take appropriate steps corresponding to progress in the talks. I believe the ROK has obtained various relevant intelligence. Therefore, I also wish to hold a dialogue with the president on this issue.

Negotiations for Normalizing Diplomatic Relations With North Korea

The negotiations for normalization of diplomatic relations between North Korea and Japan were ruptured during the eighth round of talks held in November of last year. The issue of Yi Un-hye, a woman known to have been kidnapped in Japan and brought to North Korea in connection with the training of Kim Hyon-hui, the criminal connected with exploding the Korean Airline civilian passenger, was discussed during the talks at that time. The negotiations have not been resumed since that time. This being the case, Japan is not in a position to promote the talks.

Issue of ROK and Japan's Past

Since new governments have been inaugurated in the ROK and Japan, I wish to build new ROK-Japanese relations, not cling to the past issues. It is important to form future-oriented ROK-Japanese relations, and to do this, I must settle the historic problems of the past. Japan inflicted a great deal of sorrow and pain on many people in many nations. I think we must now reflect on our past and apologize to them for our past acts. Japan must express the resolve to compensate through contribution. As for the issue of comfort women serving in the Japanese Army during wartime, we must conduct self-examination and make apologies in some way. For this, the Japanese Government is reviewing many steps. We will make efforts to settle this issue through future discussion with the ROK Government. In short, the Japanese Government is studying various measures for the solution of this problem.

Regional Cooperation

The Asian-Pacific region is the area with the greatest potential for development in the world. The aveage rate of growth in Asia is two times as much as that of the whole world. While uncertain as to how long such a rapid growth will last, I believe such a high rate of growth will continue for the time being. It would be desirable for each nation to develop in cooperation with each other while maintaining high individual growth rates. It is important for Asian countries to cooperate with each other so that they can play the role of the locomotive in the world economy.

To achieve this, political stability is required more than anything else. Therefore, the presence of U.S. troops—the United States—in Asia is of great significance. If an uneasy situation should break out in North Korea or China or if the problem of refugees should be raised, it will affect neighboring countries seriously. This is why political stability is necessary.

ROK-Japan Economic Cooperation

In a future-oriented point of view, both the ROK and Japan should equally make efforts to achieve balance in trade. I think Japan should strive to expand imports while the ROK expands exports. There are enormous markets not only in the two nations of the ROK and Japan but also in Russia. In addition, China and India are the markets of a population of 2 billion. If we sell only a pair of shoes to these countries, we can sell 2 billion pairs of shoes. Therefore, it is important for both the ROK and Japan to develop such huge markets by taking a share in their roles. In view of this, people have great expectations for the ROK that has great potentials for market development, and there is much room for the ROK and Japan to cooperate with each other.

ROK Envoy on Sanctions Against DPRK Issue

OW2010085493 Tokyo KYODO in English 0820 GMT 20 Oct 93

[Text] Tokyo, Oct. 20 KYODO—Nations should be cautious in considering sanctions against North Korea over its alleged nuclear weapons program because they might bring "unexpected situations" if taken too far, South Korea's ambassador to Japan said Wednesday [20 October].

Kong No-myong described sanctions as a "delicate" problem, saying Seoul would be the one to suffer damage if things went wrong.

Speaking at an Asian Affairs Research Council meeting at a Tokyo hotel, Kong said it is unavoidable to bring the matter before the United Nations Security Council if North Korea fails to take a positive, constructive stance. But whether to impose sanctions immediately or seeking Pyongyang's cooperation through several stages must be discussed further, he said.

Kong predicted instead that the deadlock over the problem will not continue long because the United States will be pressed to tackle the problem.

The United States and North Korea held two rounds of talks this summer, and Pyongyang said it would suspend its decision announced in March to pull out of the Nuclear Non-Proliferation Treaty.

The U.S. has made a third round of talks contingent on Pyongyang reopening its stalled dialogue with Seoul and opening talks with the International Atomic Energy Agency over an impasse to inspections of suspect sites.

Kong said the way North Korea is dealing with the nuclear problem is a "big mystery." He said U.S. plans to negotiate with North Korea in four steps—solving the nuclear problem in three and then moving onto dialogue—may win China's cooperation in solving the problem if Pyongyang is not forthcoming.

Turning to relations between Japan and South Korea, Kong said overcoming ill feelings toward each other from the past is important to build relations. He said Tokyo and Seoul are increasingly required to cooperate on various problems in surrounding areas, such as the recent Russian dumping of radioactive waste in the Sea of Japan.

Kong said he was delighted the problem of Korean women forced to provide sex to Japanese soldiers during World War II has been settled for the time being at a government level, but encouraged private discussions on the matter. The Japanese Government offered an apology for the plight of the "comfort women" this summer, and Prime Minister Morihiro Hosokawa later apologized over Japan's infliction of pain on Asian people in its "war of aggression."

The ambassador also called on Japan to solve problems involving Korean residents on Russia's Sakhalin Island.

Tens of thousands of Koreans were forced to go to Sakhalin during the 1910-1945 Japanese colonial rule of the Korean peninsula when the southern half of the island was held by Japan. About 43,000 Koreans have remained there since the former Soviet Union took over the territory from Japan.

Rise in Shootings in East China Sea Reported

OW1910012693 Tokyo KYODO in English 0027 GMT 19 Oct 93

[Text] Tokyo, Oct. 19 KYODO—The number of incidents involving unidentified vessels firing on Japanese fishing boats in the East China Sea is increasing, the 1993 Maritime Safety Agency white paper released Tuesday [19 October] said.

The white paper also warned that the area of occurrence of these incidents is gradually spreading closer to Japanese waters in the southern archipelago of Okinawa.

It recommended that the agency increase its supply of boats equipped with helicopters for monitoring the region, and improve its communications with authorities in neighboring countries.

There were 14 incidents involving unidentified vessels and Japanese fishing boats in 1991, following the first incident in March that year, increasing to 33 in 1992, the white paper said.

It said there have already been 31 cases to August this year.

Of these, nine incidents involved firing at Japanese boats in 1991, and 11 in 1992. There were 17 attacks on Japanese boats to August this year.

One of the most disturbing incidents occurred May 11 this year when the occupants of an boat of unknown nationality followed for two hours and fired at a fishing boat from Nagasaki. By the time an agency patrol boat arrived on the scene, the unidentified vessel had gone. Some 30 bullet marks were later found on the Japanese boat.

The white paper said smugglers operating into China were probably behind the increase in the number of such incidents over the past three years.

It cited one case on June 16 this year when agency officials flying over open seas off southwest Okinawa Prefecture spotted a Chinese boat transferring cartons of cigarettes from a cargo vessel.

In 1991, the incidents occurred mostly near the Chinese coast, but have since spread further east. This year there were incidents near Miyako Island and Kume Island, both of which lie within a 350-kilometer radius southwest of Naha, capital of Okinawa Prefecture.

The agency has increased its aerial surveillance and is advising fishing vessels to operate in groups.

Soares Urges East Timor Human Rights Protection

OW2010060093 Tokyo KYODO in English 0526 GMT 20 Oct 93

[Text] Tokyo, Oct. 20 KYODO—Portuguese President Mario Soares on Wednesday [20 October] thanked Japan for joining peacekeeping operations in Mozambique, but urged it to also protect human rights in East Timor. Soares, responding to a speech of welcome from Prime Minister Morihiro Hosokawa at a luncheon in Tokyo, urged Japan to link its overseas development assistance to the human rights situation in recipient countries.

Japan is the biggest aid donor to Indonesia, which invaded East Timor shortly after the Portuguese left in 1975, and annexed the territory in 1976.

East Timor is a former Portuguese colony and the United Nations still recognizes Portugal as the area's legitimate administrator.

Soares said the East Timorese have had their basic human rights violated since Indonesia took over the territory. "Assisting the development of another country cannot be considered separately from a respect for human rights in that country and a respect for the various principles of democracy," Soares said.

"Accordingly, this puts your country in a very good position to appreciate our plea that the human rights of the East Timorese should be respected in order to satisfy the demands of international justice."

Soares also said it is important to strengthen the UN'S role in the peaceful settlement of disputes and thanked

Japan for sending personnel to Mozambique—another former Portuguese colony—to help monitor UN-brokered accords ending a long civil war.

Soares called for increased Japanese investment in Portugal and urged Japan to further open its market to Portuguese goods. He also invited Japan to participate in an international exposition planned for Lisbon in 1998.

Welcoming Soares, Hosokawa said he feels a special affinity for Portugal because he comes from Kumamoto in the southwest Japanese main island of Kyushu, an area which experienced the first contact with Portuguese traders and missionaries in the 16th and 17th centuries.

Hosokawa said he has heard that one of his ancestors, Tadaoki Hosokawa, a poet, painter and daimyo or feudal lord who lived from 1563 to 1646, was so impressed with European culture brought into Japan by the Portuguese that he ordered his own seal inscribed with his name in the Roman alphabet.

Four Rearrested, Five Indicted in Bribe Scandal

OW1810124393 Tokyo KYODO in English 1230 GMT 18 Oct 93

[Text] Tokyo, Oct. 18 KYODO—Prosecutors investigating the alleged bribery of a former Sendai mayor and a former Miyagi governor by major construction company Taisei Corp. rearrested four people and indicted five Monday [18 October]. The new arrests and indictments came after investigations linked the major construction firm with bribing former Sendai Mayor Toru Ishii and former Miyagi Prefecture Governor Shuntaro Honma, the Tokyo District Public Prosecutors office said.

Ishii, 67, who was arrested in late June on suspicion of accepting bribes from other major construction companies, was among those rearrested. Honma was among those indicted Monday on charges of accepting bribes from Taisei.

Rearrested with Ishii on suspicion of taking bribes from Taisei was Mitsuo Moriya, 65, a former deputy secretary general of the Liberal Democratic Party's Miyagi Prefectural Branch. Moriya was also indicted on the day on the bribery charges.

Prosecutors allege that Ishii, in collusion with Moriya, received a 20 million yen bribe from Taisei in autumn last year. Ishii is already under indictment for receiving a total of 100 million yen from Hazama Corp., Shimizu Corp., Nishimatsu Construction Co. and Mitsui Construction Co.

The latest revelation that Ishii may have also received money from Taisei shows the extent to which the construction majors were prepared to engage in a bribery offensive to capture public works projects in Sendai.

Prosecutors say investigations have so far led them to suspect Taisei gave Ishii the 20 million yen bribe in cash prior to the Sendai mayoral election in November, 1992, with the aim of gaining favorable treatment in the allocation of public works contracts.

Prosecutors also rearrested two Taisei officials, including Vice President Takashi Hashimoto, 57, in connection with the alleged bribing of Ishii. Hashimoto was also among those indicted in the day.

Prosecutors say the bribes could have been part of the firm's efforts to gain contracts for the city's planned redevelopment of the northern precinct of Sendai station.

The massive undertaking involved construction of northern Japan's first "intelligent building" on the north side of Sendai station that would include 13 floors above ground and three basement floors.

Sources close to the planning of the project say Taisei originally looked as if it would get the project, but Kajima Corp. fought back and the two became involved in a fierce battle for the contract in autumn last year.

Honma, 53, was indicted Monday on charges of taking a 20 million yen bribe from Taisei in late January in connection with the construction of a cancer center in the prefecture.

Probe Said Underway on TV Ex-Bureau Head

OW2010032993

[Editorial Report] Tokyo Asahi Television Network in Japanese at 0100 GMT on 17 October, as part of its news magazine "Sunday Project" program beginning at 0100 GMT, carries a 13-minute live discussion regarding controversial remarks made by Sadayoshi Tsubaki, former TV Asahi News Bureau chief, regarding TV Asahi's reporting on the last general election.

The discussion, coming as an extra preceding the formal program, begins immediately with the opening of the program, led by commentator Soichiro Tawara and participated in by other regular members of the weekly program. Hajime Yamamoto, head of TV Asahi Information Bureau, is also present as a special guest.

Referring to reports that around the time of the general election, Tsubaki, then News Bureau chief, is alleged to have instructed his staff to do reporting so that a non-Liberal Democratic Party [LDP] government would be born, commentator Tawara declares: "If it is true that the bureau chief instructed reporting be done to help the birth of a non-LDP government or to support certain Dietmen, like Yanase, Kaiera, Kurimoto, and Takaichi [names of non-LDP Dietmen elected for the first time], that is most serious. If there really was such an instruction, this bureau would collapse." He adds: "However, we of this program, those of the 'Morning Live Television' program or the 'Election Special' program never received such instructions."

He says, "While we never received such instruction, the News Bureau chief is supposed to have said at the National Association of Commercial Broadcasters—or rather its Broadcast Program Review Committee—that he gave such instructions." At 0105 GMT, Tawara asks Yamamoto, TV Asahi Information Bureau head, to explain what happened.

Yamamoto says: "The company has set up a special investigation committee, and the committee is investigating what happened, interviewing the people concerned. We will decide what action we should take, after hearing the results."

Commentator Tawara complains about the charges made on TV Asahi that the station was not fair in reporting, and insists: "Some people say that the press is assured of freedom of speech but the TV stations, being enterprises licensed under the Broadcasting Law, are excluded from it. They are wrong. Article 1 of the Broadcasting Law says broadcasting must be impartial and fair, but the next sentence says it must be impartial and fair to defend the freedom of speech—to protect the right of the TV media to be freed from the influence of power."

Tawara says: "If control [on TV programs] is tightened and if all stations are required to restrain themselves as a result of this incident, that will mean the destruction [of the TV media]. That indeed is scary."

The commentator asks Yamamoto, the TV Asahi information chief, when Asahi will finish its investigations. Yamamoto says the target is early next week. This part of the program ends at 0113 GMT.

More on Asahi TV Executive's Resignation

OW1910071193 Tokyo KYODO in English 0630 GMT 19 Oct 93

[Text] Tokyo, Oct. 19 KYODO—Asahi National Broadcasting Co. on Tuesday [19 October] accepted the resignation of its managing director, who ignited a controversy with alleged remarks on the network's coverage of the July 18 general election, company executives said.

Sadayoshi Tsubaki, who was news bureau chief at the time of the election, reportedly said he had given instructions that coverage of the polls be aimed at securing the defeat of the Liberal Democratic Party (LDP). Tsubaki had told the TV Asahi management he intended to resign to "take responsibility" for the turmoil that arose after the SANKEI SHIMBUN newspaper reported the remarks, which Tsubaki denies making.

Asahi National Broadcasting President Kunio Ito convened a regular meeting of directors and formally accepted Tsubaki's resignation, the executives said. The network removed Tsubaki from the post of the press bureau chief last Thursday. A company in-house committee is investigating the matter, the executives said.

The SANKEI SHIMBUN last week reported Tsubaki as saying at a meeting of the National Association of Commercial Broadcasters in Japan on September 21 that he had told reporters to cover the election in such a way that a non-LDP government would be born. He was also quoted as saying his station does not necessarily need to be impartial in its reporting and it had reported news in such a way as to support specific candidates in the election.

Tsubaki held a news conference last Wednesday and denied he made the remarks quoted in the SANKEI SHIMBUN.

The issue was taken up by LDP members in the Diet and Tsubaki was questioned by the Ministry of Posts and Telecommunications on the matter.

The coalition government led by Prime Minister Morihiro Hosokawa took power in August after the LDP failed to win a majority of seats in the House of Representatives election in July, ending its 38-year uninterrupted control of Japan's Government.

Diet Resolves To Summon TV ASAHI Official

OW2010100593 Tokyo KYODO in English 0923 GMT 20 Oct 93

[Text] Tokyo, Oct. 20 KYODO—The Diet endorsed a resolution Wednesday [20 October] to summon a former news bureau chief of ASAHI National Broadcasting Co. to a parliamentary committee next week as a sworn witness over allegations of biased election coverage by the company.

The ad hoc House of Representatives Political Reform Committee voted for the resolution to summon Sadayoshi Tsubaki as a sworn witness for two hours from 1 p.m. next Monday to clarify the allegations.

Tsubaki, who was news bureau chief of TV ASAHI at the time of the election, reportedly said he had given instructions that coverage of the July 18 general election be geared toward securing the defeat of the Liberal Democratic Party (LDP).

Prior to the resolution, the seven parties of the coalition government compromised on the issue with the opposition LDP and the Japanese Communist Party (JCP) at a meeting of the Board of Committee Directors, Diet officials said.

The coalition has compromised to avoid delaying discussions of political reform bills in the committee, a crucial issue for Prime Minister Morihiro Hosokawa, according to informed sources.

The LDP demanded Tsubaki be summoned as a sworn witness because the issue has serious implications for the impartiality of tv election coverage. The JCP did likewise.

The government wants the issue to be deliberated by the Posts and Telecommunications Committee instead of the Political Reform Committee.

TV ASAHI removed Tsubaki from the post of press bureau chief on October 14 and an in-house committee is investigating the matter, the officials said. On Tuesday, TV ASAHI said it accepted Tsubaki's resignation.

The SANKEI SHIMBUN last week reported Tsubaki as saying at a meeting of the National Association of Commercial Broadcasters in Japan on September 21 that he had told reporters to cover the election in such a way that a non-LDP government would be created.

Tsubaki gave a news conference last Wednesday and denied making the statements attributed to him by SANKEI.

The issue was taken up by LDP members in the Diet and Tsubaki was questioned by the Ministry of Posts and Telecommunications.

Hosokawa's coalition government took power in August after the LDP failed to win a majority of lower house seats in July, losing its 38-year hold on power.

LDP, Coalition Criticize Antigraft Bills

OW1910122393 Tokyo KYODO in English 1157 GMT 19 Oct 93

[Text] Tokyo, Oct. 19 KYODO—Japan's two main political camps accused each other Tuesday [19 October] of inserting loopholes in respective political reform bills to water down powers that stop bribe taking.

The accusations between the Liberal Democratic Party (LDP) and the ruling seven-party coalition were exchanged during a question-and-answer session of the House of Representatives' political reform special research committee. It was the second day of debate on the government-proposed bills and the shadow version.

Seiji Maehara, a Japan New Party [JNP] lawmaker, said the LDP bills do not have the power to penalize legislators who hide illegal corporate donations by falsifying annual declarations to the government.

The JNP is one of the seven coalition partners. It was founded by Prime Minister Morihiro Hosokawa in May, 1992. The LDP, which has been badly tarnished by bribery scandals, was ousted after 38 years in power following a general election in July that was triggered by a motion of no-confidence over its failure to achieve political reform.

Maehara urged the LDP to insert a clause into its bills that would obligate a legislator to fully account for political donations to fund-raising organizations.

In reply, LDP legislator Fukushiro Nukaga acknowledged the alleged loophole, saying, "if the chief of a politician's support group represented the fund-raising organization, the politician himself would not be held responsible" in the event the report was fabricated.

Meanwhile, International Trade and Industry Minister Hiroshi Kumagai rejected a demand from an opposition legislator that the government investigate the alleged refusal by electric utilities to pass on the benefits of a stronger yen to consumers.

"I have a different opinion on the matter regarding whether the government should intervene," Kumagai told the parliamentary session.

Hidekatsu Yoshii, a Japanese Communist Party legislator, said four major electric utilities garnered 840 billion yen in windfall foreign exchange gains on cheaper oil imports from a stronger yen in the 10 years from 1983.

"If the utilities passed on these foreign exchange gains to consumers, an average family of four would have been received a refund of 1,800 yen a month in their electric fees. But the utilities returned only 100 yen monthly to such families."

Yoshii charged the 5.55 billion yen in political donations to successive LDP governments had caused authorities to soften their administrative guidance calling for the return of foreign exchange gains.

Kumagai, also a Shinseito (Japan Renewal Party) legislator, replied that the coalition government "made utmost efforts" to persuade electric utilities to transfer the benefits of a stronger yen and as a result made some headway.

Panel To Propose 5-6 Trillion-Yen Tax Cut

OW2010104493 Tokyo KYODO in English 1016 GMT 20 Oct 93

[Text] Tokyo, Oct. 20 KYODO—The government's tax commission will recommend income and residential tax cuts worth 5 trillion to 6 trillion yen in a report next month, some panel members said Wednesday [20 October].

The members, who requested anonymity, said they would recommend funding the cuts by increasing the consumption tax from 3 percent to about 7 percent.

They said the panel will submit the report November 16, three days ahead of schedule. This is apparently to allow Prime Minister Morihiro Hosokawa to give a clear commitment on tax cuts when he visits the United States around then.

Kan Kato, head of a special panel committee working on tax reform, has reportedly said some members are calling for a 5 trillion yen tax cut but no formal decision has been made.

Kato was not available to confirm his comments.

Hosokawa is scheduled to meet with U.S. President Bill Clinton while in Seattle, Washington, to attend an Asia-Pacific Economic Cooperation Summit November 19. He has been saying that he will respect the panel's tax reform proposals.

If he gives the go-ahead, the panel will immediately start working on details to include the tax cuts in a package for fiscal 1994, the members said.

Under this timetable, it would pass the Diet sometime in that fiscal year. But the members said the cuts would be effective from next January.

The consumption tax hike would be implemented one or two years later to avoid adverse effects on the stagnant economy, they said.

The members said the panel will propose simplifying the five-tier income tax system of rates from 10 to 50 percent to one of four tiers from 10 to 40 percent.

For residential taxes, the panel wants a two-tier system of 5 to 10 percent to replace the existing three tiers of 5 to 15 percent.

The panel will also recommend lowering the highest rate for both taxes combined to 50 percent from the current 65 percent.

The tax breaks will be focused on workers earning an annual income of around 10 million yen who carry the heaviest burden under the current system.

The panel will also call for the minimum taxable income to be raised to benefit low-income groups, the members said.

The panel is unlikely to include a definite figure for the consumption tax hike, the members said. They said the report will limit its wording to "a level to cover lower tax revenues from the income tax cut."

A 1 percent rise in the consumption tax would provide about 2 trillion yen in extra revenue. An increase to some 6 percent from the present 3 percent is therefore necessary to cover tax cuts worth 5-6 trillion yen.

But given that the panel intends to recommend concessions for foodstuff purchases, the consumption tax is likely to go up to about 7 percent.

Textbook Author Gets Compensation for Censorship

OW2010143193 Tokyo KYODO in English 0516 GMT 20 Oct 93

[Text] Tokyo, Oct. 20 KYODO—A historian who complained that the Education Ministry censored a school textbook in which he described wartime atrocities by Japanese troops won compensation of 300,000 yen at the Tokyo High Court on Wednesday [20 October]. But Saburo Ienaga, 80, said afterward he was unhappy with the ruling and would take his 28-year legal battle to the Supreme Court.

The presiding judge at the High Court, Masatoshi Kawakami, accepted Ienaga's complaints about three out of eight deletions from the book, written for high school students.

One of the two points was an account of the Nanjing massacre of 1937, which the judge said reviewers were wrong to change and that the account was "the prevailing view in the academic community" at the time the book was screened.

The other point, which had been accepted by a lower court, was the deletion of a passage saying that the Imperial Government of the 1860s broke a promise to halve a tax on rice farmers.

But the High Court rejected his complaints of other deletions, including an account of the Imperial Army's Unit 731 using Chinese prisoners of war in biological warfare experiments in Harbin, northern China, part of the then-Japanese colony of Manchukuo in World War II.

It ruled that the deletion was legal, as facts were not established at that time, although academics later discovered documents substantiating the accounts in U.S. military archives.

The judge said it was "not recommendable" from an educational standpoint "for a textbook writer to present accounts that include negative value judgments on the actions of his home country, when such negative judgments are not established."

But he said it was hard to see how the reviewers could have regarded some accounts in the book as unacceptable in terms of education, "as one can question the rationale of regarding all negative judgments on one's home country as unacceptable."

Following the ruling, Ienaga told reporters, "Though I recognize some progress in today's ruling in comparison with the earlier District Court ruling, I am still dissatisfied with specific judgments of the court and the judge's legal arguments."

The lawsuit was the third filed by Ienaga, a noted historian and professor emeritus of the Tokyo University of Education, the predecessor of Tsukuba University.

He had asked for compensation of 2 million yen for psychological stress caused by the screening system, which he argued is illegal and breaches a ban on censorship contained in the Constitution. His book, "New Japanese History," was published by Sanseido Co.

Sanyo To Shift Equipment Production Abroad

OW1810122593 Tokyo KYODO in English 1203 GMT 18 Oct 93

[Text] Osaka, Oct. 18 KYODO—Sanyo Electric Co. said Monday [18 October] it will shift part of its information equipment production overseas in November and will move about 500 employees in the field to other areas. The move is aimed at dealing with decreasing profits resulting from the strong yen and greater sales competition, Sanyo officials said.

They said information equipment production will be gradually scaled down and the company will then begin to specialize in portable computers, such as notebook-type personal computers.

In addition to the shift overseas, Sanyo will also move production of word processors and copy machines to a subsidiary, Sanyo Information Business, to be established on November 1 in Gifu Prefecture. Some 650 workers are scheduled to be transferred to the subsidiary, the officials said.

After these measures, the number of Sanyo employees working in the information equipment field will accordingly be reduced to 950 from the current 2,100, the officials added.

North Korea

Political Bureau Meeting Held on Rural Theses

SK2010100793 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 19 Oct 93

[Text] We will now carry the communique [podo] on the meeting of the Political Bureau of the Workers Party of Korea [WPK] Central Committee.

The communique on the meeting of the Political Bureau of the WPK Central Committee:

A meeting of the Political Bureau of the Workers Party of Korea [WPK] Central Committee took place on 18 October in Pyongyang. Secretaries of the WPK Central Committee and major functionaries of central organizations and party and administrative offices attended the meeting as observers.

The topic of discussion at the Political Bureau meeting was, "On Meaningfully Marking the 30th Anniversary of the Publication of the Socialist Rural Theses."

The Political Bureau meeting noted that our party and people will meaningfully mark the 30th anniversary of the great leader Comrade Kim Il-song's publication of Theses on the Socialist Rural Question in Our Country next year and that correctly solving the rural question after winning a victory in the socialist revolution and establishing a socialist rural economic system is an important strategic question determining the destiny of socialist, communist construction.

The Political Bureau meeting pointed out that only when the rural question is correctly resolved under the socialist system, can the backwardness of the rural areas left by the exploiting society be removed, the balanced development of the people's economy and the systematic improvement of the people's lives be ensured, the socialist collective economic system be consolidated and developed, and the superiority of the socialist system be displayed highly.

The Political Bureau meeting noted that correctly solving the rural question is an absolute requirement for strongly uniting the popular agricultural workers, masters of the rural areas, around the party and the leader; strengthening the main forces of the revolution; strongly consolidating the socialist fortress in rural areas; eliminating class differences between the workers and peasants and between cities and rural areas; and winning a complete victory in socialism.

The meeting went on to point out: In the theses on the socialist rural question, the great leader Comrade Kim Il-song, profoundly perceiving the importance of the rural question in a socialist society, fully elucidated the fundamental contents of the socialist rural question, the basic principles in solving the question, the task of building socialist rural areas, and ways to carry out those tasks.

Theses on the Socialist Rural Question in Our Country, published by the respected and beloved leader Comrade Kim Il-song, is a grand program on building socialist rural areas based on the chuche idea, and is a classic document that gives full answers to all theoretical and practical problems of solving the rural question for the first time in history.

Our party's rural theses have brilliantly elucidated ways to industrialize and modernize farming to highly develop agricultural production capabilities; revolutionize the peasants and imbue them with a working-class spirit to eliminate various class differences; and build abundant, civilized, socialist, rural areas where the peasants enjoy independent, creative lives to their hearts' content.

The rural theses which scientifically elucidates ways to solve the socialist rural question, have given our people and progressive people of the world confidence in and optimism for socialism and made it possible to crush the imperialists' slander with regard to the solution of the socialist rural question.

Since he published the rural theses, the great leader Comrade Kim Il-song has wisely led our people's struggle to implement these theses. The respected and beloved leader Comrade Kim Il-song has said that agriculture is the great foundation of the country and has personally led the struggle to develop agricultural production. Even today, he is giving on-the-spot guidance to one rural village after another and organizing and leading the struggle to foster socialist rural areas.

In compliance with demands for carrying out socialist construction on a high level and in specific circumstances, our party has led the entire country and all the people to the struggle to implement the rural theses and sent excellent party functionaries and young people to rural areas to vigorously carry out the three revolutions of ideology, technology, and culture.

The Political Bureau meeting proudly pointed out that our people have won a great victory in the struggle to foster socialist rural areas and have turned the ideas contained in the theses into a proud reality according to the rural thesis over the past 30 years under the wise leadership of the party and the leader.

By brilliantly elucidating the socialist rural theses, a significant reform has taken place in our country's rural areas whose appearance has been renewed fundamentally. In the struggle to implement the rural theses on putting priority on the ideological revolution in rural areas, our agricultural workers have cast off the old ideologies and old customs left by an exploiting society and are prominently equipped with the lofty traits as new men and chuche-type communists.

The agricultural workers are firmly armed with the chuche idea, and single-heartedly united around the party and the leader in ideology and morality. They also are fully demonstrating a collective life-style by helping and leading each other under the slogan "One for all, all for one."

With the vigorous propagation of the rural technological revolution, farmers are using more science and technology to work more easily and happily. The irrigation system and electricity have been completely introduced, and the general mechanization and scientification of the rural economy are of a high level in our country. With the implementation of chuche agricultural techniques, rural production is increasing speedily based on modern science and technology.

As the rural cultural revolution is being vigorously carried out, farmers' general knowledge and technical culture have developed remarkably, the rank of agricultural technicians and experts has increased enormously, and rural towns have changed into socialist cultural farms that are beautiful and ideal places to live in.

With the change in the introduction of waterworks, buses, televisions, and rural clinics, the gap between urban and rural areas has been minimized in terms of cultural living conditions, and lofty and joyful socialist cultural and emotional lives blossom in all rural areas.

As the three revolutions of ideology, technology, and culture, are vigorously carried out in rural areas, and as a rural construction drive is being expedited under the active guidance and encouragement of the party and the country, the socialist rural economic system is strengthened, and all aspects of life in rural areas are becoming more like those of urban areas.

As guidance and management of the rural economy is ceaselessly improved by the chuche-oriented rural guidance system centered on county cooperative farm management committees, and as the predominant role of all-people ownership over cooperative ownership is enhanced, the difference between rural and urban areas in view of management and ownership has also been overcome successfully.

The task of enhancing counties' roles, contained in the theses, have been implemented brilliantly. As a result, counties across the country have been consolidated firmly. And, they are successfully carrying out their mission and role as a base for carrying out the three revolutions and channeling cities' assistance to rural areas in all aspects of politics, economics, and culture.

The Political Bureau meeting emphasized that all brilliant achievements made in our country's socialist rural construction are great victories for the socialist rural theses presented by the respected and beloved leader Comrade Kim Il-song, and are obvious proof of the justness and invincible vitality of the theses.

The Political Bureau meeting said that the historic experience accumulated over the past 30 years firmly proves that the theses on our country's socialist rural question is the only just guideline for eliminating the remaining rural backwardness since the establishment of the socialist system, and for successfully solving the rural questions, and that only when we follow the road indicated by the rural theses can we defend, safeguard, and brilliantly complete socialism without the slightest deviation, twists, or turns.

The meeting also unanimously pointed out that overall application of the socialist rural theses is a proud victory which proves the justness, absolute superiority, and invincible might of socialism of our own style centered on the popular masses and vigorously advancing under the banner of the chuche idea.

The Political Bureau meeting said that all the party members and working people should more fully display to the whole world our people's indomitable fighting spirit and revolutionary spirit which highly upholds the chuche revolutionary banner and advance in confidence with single-hearted unity around the party and the leader by more thoroughly achieving the tasks presented by the rural theses and by brilliantly solving socialist rural questions.

Commemorating the 30th anniversary of the publication of the theses on our country's socialist rural questions by the great leader Comrade Kim Il-song, the meeting set forth measures to fully demonstrate the great vitality of the rural theses and to achieve the tasks of the rural theses more thoroughly.

Emphasizing the need to positively carry out the organizational and political tasks to highly display the justness and vitality of the rural theses on the 30th anniversary of the publication of the socialist rural theses, the Political

Bureau meeting pointed out: The deep acknowledgement of the greatness and wisdom of the leadership of the party and the leader by the party members and working people highly displays the justness and vitality of the socialsit rural theses. This is of great significance in imbuing party members and working people with the unshakable belief in the invincibility of socialism of our own style and in encouraging the revolutionary people of the world to struggle for socialism.

Party organizations should vigorously carry out organizational and political tasks to display the justness and vitality of the theses and firmly arm the party members and working people with our party's revolutionary ideas and leadership achievements on the occasion of the 30th anniversary of the publication of the rural theses so that this anniversary is commemorated splendidly with high political zeal.

The Political Bureau meeting strongly advocated holding a grand national agricultural meeting summing up the great victory of the rural theses on the 30th anniversary of the publication of the rural theses and arranging various political functions of a high political and ideological level to significantly celebrate the anniversary of the publication of the theses.

The Political Bureau meeting pointed out: Party organizations at all levels should concentrate their efforts to indoctrinate the party members and working people so that they can deeply grasp the revolution of the leadership with which the victory of the socialist rural construction has been achieved. In addition, more propaganda articles should be published and circulated so as to prove the justness of our party's rural construction plan and the vitality of the rural theses.

The Political Bureau meeting, marking the 30th anniversary of the publication of the socialist rural theses, called upon the entire party, the whole country and all the people to turn out in a powerful struggle to more thoroughly implement the tasks of the theses.

Noting that the ideological revolution should be vigorously carried out in the rural areas to continuously imbue farmers with a working-class spirit and revolutionize them, the Political Bureau meeting pointed out: Party organizations at all level should vigorously wage ideological indoctrination tasks within the agricultural workers to prepare them as ever-faithful revolutionaries of the party, the leader, and chuche-oriented socialist feats. By enhancing class consciousness and actively displaying the collectivist spirit among the agricultural workers, party organizations at all levels should encourage agricultural workers to carry out all the farming works tenaciously and methodically as masters, and thus enable them to entirely overcome all sort of old thoughts. Party organization at all levels should strengthen the rural outposts of the class by resolutely upholding agricultural party tasks.

Noting that the achievement of the introduction of irrigation, electricity, and chemicals into the rural economy should be consolidated and the mechanization of the rural economy should be completed at a high-level by vigorously waging the rural technical revolution, the Political Bureau meeting pointed out: In addition to carrying out the struggle to consolidate achievements in the introduction of irrigation and electricity, the struggle to complete the mechanization of the rural economy should be vigorously waged. Furthermore, the introduction of chemicals into the rural economy should also be expedited.

Stressing the need to vigorously wage the cultural revolution to promote the level of the agricultural workers' technical knowledge and to further build up rural areas as socialist cultural rural areas, the Political Bureau meeting pointed out: Training technicians for the agricultural domain and disseminating rural knowledge to agricultural workers will permit agricultural workers to carry out farming scientifically and technologically based on the principle of the chuche-oriented farming method.

Party organizations in provinces, cities, and counties and agricultural guidance organizations should build rural houses in a planned manner and provide adequate welfare service facilities and hospitals to rural areas. In addition, rural areas should be supplied with complete water services and bus service should be normalized. Thus rural villages will become more comfortable places to live in both culturally and sanitarily.

The Political Bureau meeting noted that party organizations in provinces, cities, and counties and administrative and economic committees are doing a good job in managing the county, the fundamental unit of a region, and are thus promoting the role of the county as the political base in socialist rural construction, as the supply center for rural areas, and as the base for the cultural revolution.

Stressing the need to further exalt the superiority of the socialist collective economy by actively waging the struggle to improve the guidance and management of rural economy and to strengthen the relationship between all-people ownership and cooperative ownership, the Political Bureau meeting noted: Conforming for the most part with the demands of the new agricultural guidance system with the county cooperative farm management committee whose superiority and vitality have already been fully verified through practice, provincial, city, and county party organizations and party organizations of the rural economy should strengthen industrial guidance to cooperative farms.

Provincial, city, and county party organizations and party organizations in the rural economy sector should correctly enforce the sub-work team management system and the work team bonus system, a unique management and control method, and, thus, should further promote the management and operational level of cooperative farms. Provincial, city, and county party organizations and party organizations in the rural economy sector should not only improve management of agricultural enterprises which directly serve cooperative farms, but should also strengthen direct production ties between industry and agriculture by enhancing the roles of agricultural enterprises and constantly enhance the leading role of all-people ownership in relation to cooperative ownership. Thus, they should organically link the two owerships.

The Political Bureau meeting noted the need to successfully conclude this year's farming and to vigorously wage a struggle for better preparations for next year's farming. Successfully concluding this year's farming and properly making preparations for the next year's farming is an important revolutionary task to promote the people's living by effecting a continuous upsurge in agricultural production and to further add luster to socialism of our own style by enhancing the vitality of rural thesis.

Party organizations at all levels should harvest all of this year's bumper crops of grain in a timely manner and should properly plan and organize the work of making preparations for next year's crop. Thus, they should effect a new upsurge in agricultural production next year. In order to rapidly end the ongoing harvesting and threshing work through concentrated efforts, it is imperative that party organizations at all levels and functionaries in the rural economy sector rapidly harvest and thresh grains by mobilizing labor efforts and farm machinery in harvesting and threshing work and to thoroughly establish measures for supporting the present harvesting and threshing battle in accordance with the demands of the party's agriculture-first policy. At the same time, the rural economy sector should properly carry out fertilization and cultivation of autumn vegetables to provide the people and soldiers of the People's Army with an ample supply of vegetables to make kimchi, should increase livestock production by properly conducting the cultivation and management of mulberry fields and by thoroughly establishing measures for domestic animals to survive the winter. On the other hand, the rural economy sector should also increase the fertility of soil in orchards, perfect the irrigation system in the fields, and, accelerate mechanization to increase fruit production. It should properly carry out the harvesting, storage, and processing of fruit to supply the people with more fruit.

Provincial, city, and county party organizations and party organizations in the rural economy sector should vigorously wage the struggle to complete next year's farming preparations before the national agriculture meeting. Party organizations and agricultural guidance organs in the rural economy sector should secure enough [word indistinct] fertilizer and good quality humus to be used in the next year's farming by actively waging the struggle for producing [word indistinct] fertilizer, turf, [word indistinct], and compost. They should also plant more [word indistinct] crops so as to increase soil fertility and use it as fodder for domestic animals.

Party organizations and agricultural guidance organizations in the rural economy sector should mobilize all available tractors to complete plowing work on rice paddies and dry fields before soil is frozen and should expand arable land by vigorously waging the movement of locating new arable land, the work to readjust land, and the inner nets construction work on reclaimed tideland.

Party organizations and agricultural guidance organizations in the rural economy sector should operate pumping sites at full capacity and carry out the work of keeping water in rice paddies so as to secure enough water for next year's farming.

Provincial, city, and county administrative and economic committees and agricultural guidance organizations should establish measures to secure enough farming materials for next year's farming. The transportation sector should transport farming materials to rural areas in a timely manner.

The Political Bureau meeting expressed the firm belief that the entire party, the whole country, and all of the people will consolidate the popular masses-centered socialism of our own style and further glorify its might by brilliantly solving the socialist rural question through the vigorous struggle to thoroughly implement the task set forth in the rural theses.

The Political Bureau meeting adapted a relevant decision.

Further on Events at KPA Commanders Meeting

Report on Choe Kwang Speech

SK1910130493 Pyongyang Korean Central Broadcasting Network in Korean 0300 GMT 19 Oct 93

[Report on speech by Choe Kwang, member of the WPK Central Committee Political Bureau, vice-chairman of the National Defense Commission, member of the party Central Military Commission, and chief of the Korean People's Army, KPA, General Staff; at a meeting of KPA commanders and political functionaries at the Pyongyang Indoor Stadium on 18 October]

[Text] Comrade Choe Kwang delivered a report at a meeting of commanders and political functionaries of the Korean People's Army [KPA].

The speaker pointed out that a meeting of KPA commanders and political functionaries was being held in an exciting environment in which all the people and People's Army officers and men across the country were resolutely defeating the vicious challenges from the allied imperialist forces and reactionaries of history with the might of single-minded unity under the party's leadership, victoriously advancing the chuche-oriented revolutionary cause, and vigorously accelerating the general onward march to reunify the fatherland in the nineties at all costs.

He stressed that the current meeting will go down in the history of the building of the chuche-oriented Army as another brilliant chapter, will become a meeting of loyalty, devotion, and single-minded unity in which the People's Army commanders will express their firm resolve to become guns and bombs in resolutely defending the supreme commander Comrade Kim Chong-il—no matter how many times heaven and earth may be turned upside down and no matter what stormy winds may blow—and will serve as a momentous turning point in the struggle to strengthen our People's Army into an invincible combatant rank.

He pointed out that the proud annals of our People's Army, which has won victory after victory after overcoming severe revolutionary storms, is the history of the ever-victorious leadership of the Army and that of immortal leadership in which the respected and beloved leader and our supreme comrade commander defeated the two powerful imperialist countries with chuche-oriented military ideas and outstanding military leadership art, strengthened our People's Army into an invincible, powerful Army, and, thus, brought about great achievements in the history of the construction of working-class armies.

He pointed out that the great leader Comrade Kim Il-song presented an idea on building a one-a-match-for-100 army and a creative army building policy that calls for giving priority to strengthening basic combat units of the Armed Forces, always giving priority attention to strengthening basic combat units throughout the entire period when he was leading the revolutionary Armed Forces, and wisely exercised his leadership in consolidating the People's Army's might.

He pointed out that the great leader—who, during the days of the great anti-Japanese war, strengthened basic units, built the KPA into an invincible combatant rank, and defeated and destroyed the 1-million-strong Japanese imperialist Army—gave guidance to the newly organized units and developed the People's Army into a regular revolutionary army after the liberation, won a victory in the fatherland liberation war, and, thus, honorably defended the freedom and independence of the fatherland.

He pointed out that he organized several meetings of commanders and political functionaries of the People's Army after the war, presented the political slogan of "One a match for 100" during a visit to a guardpost unit at Mount Taedok, a frontline area, and made every effort to strengthen the combat capabilities of the basic units during his on-the-spot guidance to numerous units of the Army, Navy, and Air Force, including a frontline unit and an isolated antiaircraft battery unit in the northern area.

The speaker pointed out that the supreme commander Comrade Kim Chong-il presented a wise policy on vigorously carrying out the cause of modeling the entire Army after the chuche idea, based on its basic units and increasing the combat capabilities of the People's Army, and energetically led the struggle to implement this policy.

He also said the supreme comrade commander of the KPA raised the basic units of the People's Army into a political and ideological rank filled with loyalty, devotion, and single-minded unity; presented revolutionary slogans to the entire Army; and wisely led the struggle to strengthen the political and military might of the units in compliance with our party's military strategies, tactics, and ideas and chuche-oriented plans of campaign.

He also said the supreme comrade commander paid particular attention to the work of ensuring rapidness and mobility in organizing campaign plans of units and commanding those units and modernizing their equipment, and conducted the collective innovation movement to make new turns in the work of strengthening the combat capabilities of units.

The speaker pointed out that the comrade supreme commander not only visited the tactical training ground of the unit situated at the front post, but he also rode on a torpedo speedboat and an airplane to guide military exercises. The speaker added that he led the unit's commanding personnel to have a deep understanding of the party's strategic and tactical ideology and the chuche war methods. He continued to say that the comrade supreme commander fostered the commanding personnel with the core backbone of the People's Army and took charge of looking over, not only their future fate, but also the fate of future generations.

He said that our people and soldiers of the People's Army are upholding General Kim Chong-il, who is a truly distinguished and eternal general having both military and literary accomplishments, as well as being loyal and dutiful, as the leader [yongdoja] of the revolution and as the supreme commander. He said that thus, they are vigorously advancing along the socialist road without the slightest wavering amid the vortex of history. He emphasized that this is the greatest fortune and honor our people and soldiers of the People's Army have been blessed with.

The speaker talked about the achievements made in the efforts to increase the combat capabilities of the basic units of the armed ranks and strengthen the People's Army into a one-a-match-for-a-100 revolutionary Armed Forces under the wise leadership of the party and the leader, highly upholding the banner of modelling the whole Army on the chuche idea.

Comrade Kim Chong-il, supreme commander of the KPA, has pointed out that from the first days of its founding to the present, our People's Army have been infinitely loyal to the chuche revolutionary cause led by the great leader, and acquired immortal achievements before the fatherland and people.

He pointed out that a result that was achieved in the past is that the People's Army units have been further strengthened into combat ranks of loyalty and filial piety that are faithful to the leadership of Comrade Kim Chong-il, supreme commander of the KPA.

He said that under the guidance of the party's organization, commanders and political functionaries offensively carried out the struggle to establish firmly the party's leadership system within the unit. He also pointed out that they are standing in the forefront to safeguard with their lives the party and the leader, and are vigorously struggling to adhere to and elucidate the precious revolutionary relics and immortal leadership achievements of the great leader and our party.

He talked about the fact that commanders and political functionaries are highly manifesting blazing loyalty toward the party and the leader amid the practical struggle—they implanted the seed of loyalty and filial piety in the hearts of the soldiers to last until the last moments of their lives; saved the revolutionary comrades by sacrificing their lives; and firmly defended the post that they have been entrusted with for scores of years.

The speaker said that commanders and political functionaries also vigorously carried out the ideological and indoctrination work to encourage the soldiers to become true warriors of the comrade supreme commander. He also elaborated on the various indoctrinations carried out by commanders and political functionaries, such as the indoctrination work through the content of the great leader's memoir and the struggle materials of the heroes, who were brought forth by the unit, as well as the indoctrination of loyalty, revolutionary indoctrination, class indoctrination, and indoctrination of faith toward socialism.

He said that, therefore, the immortal faith of worshipping and following only the comrade supreme commander with absoluteness and of safeguarding the chuche revolutionary cause with arms in whatever difficulties is being deeply rooted in the hearts of each of the soldiers. He also emphasized that during the semi-war state period in March, our brilliant soldiers of the People's Army sang the song of faith and determination to win in the war, "If You Do Not Exist, There Is No Fatherland," and were overflowing with the blazing determination to vigorously launch into the life-and-death battle to defend the dignity of the chuche Korea and the nation's fate.

He talked about how commanders and political functionaries highly manifested peerless devotional spirit and mass heroism at the great socialist battlefields while building large monumental creations, such as the world's prominent Sohae Floodgate, the Kumsong Tideland, Kwangbok Street, the Nungna iron-rope bridge, and expressways.

He talked about how commanders and political functionaries greatly contributed to strengthening the blood relations between the Army and people. He also pointed out that today beautiful conduct of soldiers, such as the soldiers actively helping the workers and farmers and unhesitatingly jumping into fire and water to defend the people's lives and properties, is increasing with each passing day.

The speaker emphasized that another successful achievement that was fulfilled is that People's Army units are being further strengthened into one-a-match-for-a-100 combat ranks firmly prepared in military technique.

The speaker said that KPA commanders and political functionaries raise soldiers to be vigorous, one-a-match-for-100 fighters by actively carrying out the struggle to implement the party's training policy and principles. They always take the initiative in strongly pushing ahead with Army division exercises for actual combat.

He pointed out that commanders and political functionaries have vigorously trained soldiers to make them become knowledgeable of their weapons and capable of hitting the bull's eye 100 percent so that more divisions can be given honors for their excellency in firing sharpshooting weapons, guns, naval guns, and fighter-bombers in the nineties.

Mentioning the vigorous struggle among People's Army divisions to increase their mobile capability in accordance with the demand of modern war, the speaker pointed out that commanders and political functionaries have assumed a complete combat mobilization posture to cope with the enemy's war provocation, thus achieving great result in the struggle to fortify the country's frontier impregnability.

He also pointed out that the commanding personnel of the Army divisions have greatly contributed to modernizing armed equipment by producing and using many creative tools and materials, upholding the beacon of mass-oriented technological innovation, while thoroughly preparing for mobilization of arms and combat technology and equipment.

He pointed out with great pride that our commanders and political functionaries, who are reliably defending land, sea, and air fortresses of the fatherland, have honorably defended the fatherland's security and the people's happiness by defeating all of the enemy's vicious provocations, which numbered 737,000 during the past 20 years, including the incident at Panmunjom and the recent spy ship infiltration.

After mentioning their vigorous struggle to establish revolutionary military trait and iron-firm military discipline in the Army divisions, the speaker stressed that the struggle to implement the party's military line, which the KPA commanding personnel are vigorously carrying out while faithfully upholding the comrade supreme commander's leadership, is ever strengthening the Army divisions' military power.

The speaker said that commanders and political functionaries had indeed registered brilliant feats in the struggle to strengthen the People's Army to be filial and loyal armed ranks as well as one-a-match-for-100 revolutionary armed forces in the past. He then pointed out with great pride that in these worthier days, a good many divisions have the honor of receiving citations and thank-you messages from the great leader and the KPA supreme commander, have become divisions that win the red banner or double red banner of the three revolutions, and have produced hundreds of heroes.

He said that all these proud achievements have been a brilliant result of the party and the leader's wise leadership and magnanimous love. He gave the greatest honor and the warmest gratitude to the great leader Comrade Kim Il-song and the KPA Supreme Commander Comrade Kim Chong-il, who always lead our People's Army along the single road of victory and glory and grants worthy lives and happiness to the KPA commanding personnel, in addition to giving all meeting participants and KPA soldiers fervent loyalty and filial piety and boundless admiration.

The speaker said we are now faced with the important revolutionary mission to defend and glorify the socialist cause to the last and to achieve the fatherland's reunification in the nineties by all means. The People's Army commanders and political functionaries should strengthen the People's Army to be an ever- victorious, strong Army, by vigorously carrying out the struggle to implement their tasks presented in the party Central Committee's congratulatory message and its slogans on the 40th anniversary of our victory in the war.

He said commanders and political functionaries should raise all soldiers to be genuinely loyal and filial men who are willing to become rifles and bombs that defend the party and the leader. They should also consolidate the entire Army's single-hearted unity around the comrade supreme commander and the unity between the Army and the people in every way.

He pointed out that commanders and political functionaries should enhance the commanding personnel's responsibility and role to increase the Army divisions' combat strength by continuing the vigorous struggle to implement the party's military line and should establish revolutionary military trait and iron-firm discipline in all divisions.

The speaker said that only victory and glory will always be in store for our people and the People's Army under the leadership of the KPA Supreme Commander Comrade Kim Chong-il, a great sagacious general. He then urged all the people to fight stoutly for the ultimate victory of the chuche revolutionary cause and the fatherland's reunification, united in one around the party and the leader and upholding the chuche banner.

Participants Awarded Citations

SK2010050193 Pyongyang KCNA in English 0427 GMT 20 Oct 93

[Text] Pyongyang, October 20 (KCNA)—A ceremony of conveying state citations and gifts to the participants of the meeting of commanding officers and political workers of the Korean People's Army was held at the Pyongyang indoor stadium Tuesday.

Present at the awarding ceremony with the participants of the meeting were O Chin-u, member of the presidium of the Political Bureau of the Central Committee of the Workers' Party of Korea, first vice-chairman of the National Defence Commission of the DPRK, member of the Party Central Military Commission and minister of People's Armed Forces; and cadres of the Armed Forces.

The title of the Hero of the DPRK was conferred on Yi Yong-il and Kang Pyong-ho, generals of the KPA, and four officers who had made big contributions to the strengthening and development of the People's Army into one-beat-a-hundred revolutionary Armed Forces upholding the party's military line.

Citations and awards of the great leader President Kim Il-song and citations of the dear leader Comrade Kim Chong-il and orders were conferred upon participants of the meeting.

Gifts of Comrade Kim Chong-il, supreme commander of the Korean People's Army, were handed to all the participants of the meeting.

Speeches of oath were made.

The speakers expressed the determination to fight staunchly for the victory of the revolutionary cause of chuche, united in one mind around Supreme Commander Comrade Kim Chong-il, and discharge their noble duty to the party and revolution, the country and the people.

KPA Meeting Closes 19 Oct

SK1910230693 Pyongyang KCNA in English 1508 GMT 19 Oct 93

[Text] Pyongyang, October 19 (KCNA)—The meeting of commanding officers and political workers of the Korean People's Army [KPA] closed today.

It was a meeting of loyalty, filial duty and singleheartedness which demonstrated the unshakable faith and resolution of the KPA commanding officers to always share the destiny with Comrade Kim Chong-il, supreme commander of the Korean People's Army, and become rifles and bombs defending the party and the leader at the cost of their lives in any adversity. It was also a historical meeting of epoch-making significance in bringing the political and ideological advantages of the revolutionary Army to full play and further increasing its military power.

The whole course of the meeting fully proved the wise leadership and distinguished feats of the Workers' Party of Korea [WPK] that has built invincible revolutionary Armed Forces guaranteeing the accomplishment of the socialist cause with arms and powerfully demonstrated the noble spiritual and moral traits of commanding officers and political workers, the backbone of the People's Army.

The participants in the meeting showed their revolutionary iron will to trust in and follow only comrade supreme commander under the slogans "Let All the Commanding Officers and Political Workers Remain Unfailingly Loyal and Devoted to Comrade Kim Chong-il, Our Supreme Commander!" "Let All the Commanding Officers and Political Workers Be Fortress and Shield to Defend the Party and the Leader With Rifles at the Cost of Their Lives!" "Let Us Thoroughly Fulfill the Tasks Set Forth in the Congratulatory Message of the Central Committee of the Party!" etc.

Speeches were made at the meeting.

The speakers said the units of the KPA have consolidated to be matchless combat units and the whole Army has strengthened into an invincible revolutionary Army under the chuche-oriented idea of Army building and the wise leadership of the great leader Comrade Kim Il-song and the Workers' Party of Korea.

Under the wise guidance of comrade supreme commander of the Korean People's Army, the position and role of the units of the KPA have been enhanced and the units of the three services have become matchless combat units that can successfully undertake any modern operation and battle, they noted.

They expressed their firm resolve to fulfil the tasks set out in the congratulatory message of the WPK Central Committee to the letter and strengthen the combat preparedness and combat capability of the KPA, upholding the leadership of Comrade Kim Chong-il, supreme commander of the Korean People's Army, with a loyal heart.

The KPA has nothing impossible to do as long as it has Comrade Kim Chong-il at the head of the revolutionary Armed Forces, they said, stressing that they would courageously struggle with confidence in victory, more closely united in one mind around him and discharge their honorable mission as the defender of the revolution and the socialist motherland.

A congratulatory group of the Korean Children's Union recited a congratulatory mssage to the meeting.

Silk banners from the Central Committee of the League of Socialist Working Youth of Korea, the congratulatory group of the Korean Children's Union and Pyongyang and local schools were conveyed to the meeting and to the units of three services visited by Comrade Kim Il-song and comrade Kim Chong-il and the units which have won the three-revolution red flags.

A letter of pledge to Generalissimo Kim Il-song and Comrade Kim Chong-il was adopted at the meeting.

Importance of Ideological Revolution Stressed

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[Unattributed talk from "The Ray of Chuche:" "Ideological Revolution Is the Most Important Task in Socialist Construction"]

[Text] Our party raised the ideological revolution based on the principles of chuche as the most important task in the struggle to construct socialism. Our party, is thus firmly adhering to the principle of giving priority to the ideological revolution in all tasks.

The dear leader Comrade Kim Chong-il has indicated:

If we educate well the popular masses in a revolutionary manner and nurture the main force of revolution by strengthening the ideological revolution, we can successfully construct socialism and firmly defend the cause of socialism under any circumstances.

The ideological revolution is the task for bringing up the main force for constructing socialism-communism by arming men with an independent and revolutionary ideology. It is also the task for vigorously inspiring the revolutionary zeal and creative positiveness of the popular masses. Only when the party of the working class vigorously embarks on the ideological revolution, can it strengthen the main force of the revolution by actively accelerating remaking man, nature, and society, firmly build the material and technological foundation of the socialist society by heightening the role of the main force, and thus accomplish socialist-oriented social relations.

The ideological revolution, above all, makes it possible to strengthen the main force of the revolution by educating and remaking the popular masses, which are the masters of the socialist society. Strengthening the main force of the revolution is the fundamental problem in successfully constructing socialism.

Socialism essentially is a society in which the popular masses as the masters of state and society are fused in comradeship and constitutes the main force of the revolution. Socialism is a society which is developing with ideology as its life. The successful construction of socialist society, therefore, requires that we strengthen the main force of the revolution by educating and remaking the popular masses. The main force of the revolution can be nurtured well only on the foundation of firmly arming the popular masses with independent and revolutionary ideology.

Men and the popular masses may or may not be the main force of the revolution depending on what kind of ideological consciousness they have. This is because ideological consciousness is a decisive factor that controls all acts of men. The establishment of socialist systems and the improvement of material conditions of society do not automatically remake men's ideological consciousness. Ideological consciousness is a consciousness that reflects the demands and interests of men, and has relative solidity.

It is wrong for men to neglect the ideological revolution by regarding ideological consciousness as something that merely reflects the world of realities and by believing that ideological consciousness will correspondingly change when social systems change and material conditions improve.

If the ideological revolution is not strengthened according to the progress of socialist construction, it will result in men's weakened revolutionary spirit and easygoing ideological tendency. Under these circumstances, the main force of the revolution will be weakened and socialist construction will eventually end up in failure. Therefore, the party of the working class that is constructing socialism should not ignore the ideological revolution even for a moment. The party should further deepen the ideological revolution in conformity with the advancement of the revolution and the construction. The party, then, can successfully construct socialism by incessantly strengthening the main force of the revolution.

The ideological revolution also makes it possible to successfully carry out all other tasks in socialist construction by heightening the role of the main force of the revolution. The successful socialist construction by the party of the working class requires that the party actively inspires men's revolutionary zeal and creative positiveness. All other tasks in socialist construction, then, can be solved correctly.

In other words, economic and cultural construction can be actively accelerated.

In order to firmly build the material and technological foundation of socialism, develop culture, and improve and accomplish social relations by accelerating the socialist construction and embarking on the work for remaking socialism, the technological revolution and the cultural revolution should be promoted, the people's power should be strengthened, and the function and role of the people's power should be heightened.

In order to push ahead with all these tasks successfully, however, the revolutionary zeal and creative positiveness of men, who are the masters of the tasks and those in charge of these tasks, should be fully organized and mobilized. Only when the party of the working class vigorously launches the ideological revolution, these tasks can be successfully carried out.

The ideological revolution teaches the popular masses the goal and direction of the technological revolution and the cultural revolution and how to carry out such revolutions. By having them understand the justness of the party policy, the ideological revolution also makes the popular masses accelerate the economic construction, makes them actively turn out in the struggle to create socialist culture, makes them strengthen the people's power, and makes them give a strong impetus to heightening the function and role of the people's power. The ideological revolution is the most important revolutionary task, which constitutes a precondition to enabling the party of the working class, which constructs socialism, to successfully carry out its overwork task.

The ideological revolution also enables them to stave off ideological and cultural infiltration by imperialists and to adhere to the socialist principles in the revolution and the construction. The struggle to construct socialism accompanies the struggle to smash the antisocialist maneuver of imperialists. This struggle is most acutely staged in the ideological field. The historical lesson shows that if they fail to block the ideological and cultural infiltration by imperialists by neglecting the ideological work, they cannot adhere to the purity of socialist ideology, thus experiencing ideological degeneration.

Ideological degeneration results in the change of the party of the working class and the socialist systems. Finally, the party of the working class and the socialist systems cease to exist.

In order to defend and adhere to and consummate socialism to the end, the party of the working class, which constructs socialism, should thoroughly block the infiltration of reactionary and bourgeois ideology and culture by imperialists and model the whole society after one ideology. They, then, can strengthen the party, heighten its leading role, consolidate and develop socialist property, staunchly struggle against imperialism, and thoroughly adhere to the fundamental principles of socialism which embodied the independent demand and interests of the popular masses. The party of the working class, therefore, should grasp the ideological revolution as the most important link and vigorously carry out it. All of these things clearly show that the ideological revolution is the most important revolutionary task held by the party of the working class which is constructing socialism.

From the first day when it began constructing socialism, our party has firmly grasped the ideological revolution as the most important task and always placed it firmly before all others.

The realities, in which socialism of our own style is winning victory after victory, vigorously attests to the justness of our party's line which keeps the ideological revolution ahead of others.

NODONG SINMUN Marks PRC National Day

SK1910094793 Pyongyang NODONG SINMUN in Korean 1 Oct 93 p 1

[Editorial: "We Congratulate the Chinese People on Their National Day"]

[Text] Today is the Chinese people's National Day. The PRC was founded on this day 44 years ago. With the founding of the Republic, the Chinese people were able to pioneer the new history of China as the master of their destiny for the first time in history. On the occasion of the 44th anniversary of the PRC founding, our people extend fervent congratulations to the fraternal Chinese people.

The great leader Comrade Kim Il-song has clarified: "The founding of the PRC is the noble gains attained by the Chinese people through their protracted and arduous struggle, and it was also a historic event that opened the road for the creation of a new life in China."

The victory of the people's revolution and the founding of the PRC in China on 1 October 1949 are noble gains that were attained by the Chinese people through their arduous struggle. The Chinese people waged the struggle against the old social system and the reactionary rule for a long time. While presupposing a difficult and arduous struggle, the Chinese revolution pioneered by Chinese communists has advanced victoriously. Thanks to the Chinese people's struggle for freedom and liberation, the domestic war and the anti-Japanese war were victoriously concluded and the PRC emerged on the international political arena.

With the victory of the people's revolution in China and the founding of the Republic, a great change took place in world relations, and a wide road for the creation of a new life toward progress was opened for the Chinese people.

The political change in China verified again the truth of history that the struggle of those people aspiring independence is victorious without fail and that the old forces infringing upon independence cannot escape ruin.

The Chinese people's struggle to build a new China following the founding of their new Republic was not smooth. They have constantly advanced along the road they chose while surmounting all sorts of difficulties on the road to advancement. The revolutionary tasks and social and economic development plans on many stages were successfully fulfilled.

As a result, the country's material and technological foundation has been strengthened, and a complete change has been effected in the country's appearance. Century-long backwardness and poverty have been eliminated in the wide land of China, and progress has been made in its socialist construction project. All of this is the fruit of the Chinese people's struggle of self-reliance and fortitude under the leadership of the CPC.

The entire course of the Chinese revolution and today's realities in China show that only socialism can do away with the exploitation of men by men, provide the popular masses with genuine democratic freedom and rights, and promote the people's welfare.

Today the fraternal Chinese people are making active efforts to achieve stability and unity of the whole country and to build modernized socialism characteristic of China. The party and Government of China have implemented a peace-loving foreign policy and are struggling for peace in Asia and the rest of the world.

We rejoice over the success registered by the fraternal Chinese people and extend solidarity with their struggle to achieve the country's reunification under the principle of "one country and two systems."

DPRK-China friendship has long roots in history and tradition and has been constantly strengthened and developed by the joint efforts of the two countries and the two peoples. The traditional DPRK-China friendship which has been jointly provided and fostered by leaders of the two countries is developing favorably today.

Further consolidating and developing DPRK-China friendship at present by displaying comradely fraternity [tongjijok uae] accords with the desire and interests of the people of the two countries.

The world imperialist reactionary forces are directly and indirectly scheming to completely obliterate [malsal] socialism by taking advantage of the changes in the international situation.

Strengthening DPRK-China friendship is beneficial to safeguarding and defending the socialist cause and in accelerating the revolution and construction in the two countries. We believe that the people of the two countries will sincerely implement their duties and that, through this, the DPRK-China friendship forged in blood will be further strengthened and developed.

We sincerely wish the fraternal Chinese people great success in the work of fulfilling the tasks set forth by the 14th Congress of the CPC and the first session of the Eighth National People's Congress.

PRC Magazine Delegation Departs 18 Oct

SK2010065993 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 18 Oct 93

[Text] A delegation of PRC's QIUSHI magazine, a political theory magazine published by the CPC Central Committee, led by editor-in-chief You Lin, returned home on 18 October by plane. KULLOJA's editor-in-chief Kim Yong-hak, and PRC Ambassador to our country Qiao Zonghuai bade the delegation farewell at the airport.

CPC Provincial Committee Returns to PRC

SK2010073993 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 18 Oct 93

[Text] A delegation of the CPC Jiangsu Provincial Committee led by Deputy Secretary Cao Keming returned home on 18 October by plane.

Kim Chong-il Receives Message From Chongnyon

SK1910230193 Pyongyang KCNA in English 1517 GMT 19 Oct 93

[Text] Pyongyang, October 19 (KCNA)—The dear leader Marshal Kim Chong-il received a letter from the 18th meeting of activists of branches of the General Association of Korean Residents in Japan (Chongnyon).

"We have deeply felt once again, through the current meeting, that there are the patriotic feats of Chongnyon admired by the world people, the model of patriotism praised as the model of world overseas compatriots' movementgn and the great worth and honor of the branch activities as we have the great leader Generalissimo Kim Il-song and Marshal Kim Chong-il," says the letter dated October 17.

It says that the entire branch activists will wage more vigorous branch activities, linking their destiny with that of the homeland and the nation and breathing as one with fellow compatriots, under the leadership of the sagacious leader Comrade Kim Chong-il.

"We will work hard, above anything else, to guide more compatriots of new generation to nonvincingly go along the road of patriotism, the road of loyalty, in single-hearted unity with you, dear leader, as our mental pillar," it says.

It states that they all will become practicians of the 10-point programme of the great unity of the whole nation and thus make tangible contributions to reunifying the country in the 90s and honoring the socialist homeland.

The letter wishes Marshal Kim Chong-il a long life in good health.

Thai Prime Minister Receives Assembly Group

SK2010093793 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 19 Oct 93

[Text] Thai Prime Minister Chuan Likphai on 13 October received a delegation of our country's Supreme People's Assembly headed by its chairman Yang Hyong-sop.

At the talks the prime minister said that the friendly relations between the peoples of two countries are excellent [hullyung hada].

He stressed that he highly assesses the leadership of the leader who led Korea into today's developmental stage.

He expressed support for the efforts of the Republic's Government for the peaceful reunification of the country.

Present at the talks were the senior secretary and deputy secretary of the Thai parliament and our country's ambassador to this country.

Committee Hosts Gathering on Cuban Culture Day

SK2010045693 Pyongyang KCNA in English 0423 GMT 20 Oct 93

[Text] Pyongyang, October 20 (KCNA)—The Committee for Cultural Relations with Foreign Countries arranged a friendship gathering Tuesday on the Cuban culture day.

Invited there were Cuban Ambassador to Korea Juan Jose Leon Vega and embassy officials.

Vice-chairman of the Committee Kim Chin-pom and officials concerned were present.

The participants saw a Korean feature film.

Then, they deepened feelings of friendship, playing colorful amusements and games.

South Korea

Further Reaction to Russian Nuclear Dumping

President Comments on Issue

OW2010122793 Tokyo KYODO in English 0907 GMT 20 Oct 93

[Text] Seoul, Oct. 20 KYODO—President Kim Yong-sam said Wednesday that South Korea, Japan and the United States should join hands in compelling Russia to halt the dumping of nuclear waste in the Sea of Japan. Kim, in a meeting with Japanese news editors at his official residence, said he plans to discuss the issue when he meets early next month in South Korea with Japanese Prime Minister Morihiro Hosokawa.

"Russia is ignoring international law and norms of behavior," Kim said. "Even if it claims there is no damage, it cannot be believed."

The South Korean leader was referring to Russia's dumping of radioactive liquid waste into the sea in contravention of an international moratorium on the practice and without advance warning to Seoul or Tokyo. A Russian Navy tanker dumped some 900 tons of low-level radioactive waste into the sea over a 10-hour period Sunday.

Kim said he wants to have "direct and in-depth" discussions with Hosokawa on the issue. Noting the U.S. has also adopted a tough line against the Russian action, Kim proposed the three countries "cooperate in working out various measures to get Russia to halt its dumping at sea."

Turning to bilateral relations, Kim praised Hosokawa for acknowledging and apologizing for Japan's past aggression against neighboring countries. He said that with new administrations in both countries, there are good prospects for "opening a new era" in relations.

Kim said it is all the more important for himself and Hosokawa to forge personal relations of trust in their meeting.

Queried on a possible visit by Emperor Akihito to South Korea, Kim said it is important that there first be "an atmosphere where the peoples of the two countries understand each other and in which a heartfelt welcoming can be extended."

The prospect of an imperial visit is controversial because of Japan's 1910-1945 colonial rule of the Korean Peninsula. Kim said it can be resolved over time if the two countries continue forging a "future-oriented" relationship.

On North Korea's refusal to allow inspections of its suspect nuclear facilities, Kim warned that "international sanctions will become unavoidable" if persistent attempts to resolve the issue through peaceful dialogue fail to bear fruit.

The United Nations Security Council may consider economic sanctions against Pyongyang over the nuclear standoff.

IAEA Criticized for Stance

SK2010082893 Seoul YONHAP in English 0806 GMT 20 Oct 93

[By Kim Tae-yong]

[Text] Seoul, Oct. 20 (YONHAP)—Whatever faith and trust South Koreans had in the International Atomic Energy Agency (IAEA) seems to be at stake after it was disclosed that the IAEA had advance warning that Russia would dump nuclear waste in the East Sea and did nothing. It was left to the international environmental group Greenpeace to expose the dumping while the IAEA was silent, sparking outrage in Korea and Japan, the nearest countries to the dumping site, and around the world.

Hans Blix, director-general of the IAEA, was in South Korea for the international symposium on advanced nuclear power systems when the incident occurred Sunday and tried to brush it off in a news conference Tuesday, suggesting that the IAEA is not interested in nuclear waste dumping.

"It's not anything new," he said.

He admitted that the IAEA had received a letter from a Russian minister about the dumping but tried to minimize the issue, saying that the radioactivity was very low and Russia had done it before in various places, including the Bering Sea and the North Sea. This attempt to defuse the growing criticism of the IAEA did not succeed.

Korea Action Environment Federation (KAEF) Secretary-General Choe Yol blasted the IAEA for not notifying the affected nations and urged it to cancel the symposium as it would expand the plutonium market in East Asia.

A Greenpeace spokesman charged that "the IAEA had not only a moral but a legal obligation to tell the International Maritime Organization (IMO) and the world about Russia's plans to dump."

Blix suggested, however, that nuclear waste disposal was not a matter for the IAEA to deal with but the countries involved.

"And I foresee that countries, including Japan and Korea, will react to this when they meet at the London dumping convention in November," Blix said.

He declined to say why the IAEA tolerated the dumping and did not notify countries bordering the East Sea.

The IAEA's tepid attitude on nuclear waste disposal contrasts starkly with Blix's opening statement at the symposium, in which he worried about environmental degradation.

There is another concern in South Korea regarding the IAEA.

Seoul has carefully watched the IAEA negotiate with North Korea on nuclear inspection, praying that suspicions it is developing nuclear weapon will be cleared away. But with the negotiations at a standstill, Seoul no longer seems to expect very much from the IAEA.

The problem is expected to soon be out of the hands of the IAEA and taken up by the United Nations Security Council, which is reportedly considering various kinds of sanctions against Pyongyang.

North Korea recently announced that it will not negotiate with the IAEA on inspection of nuclear sites, insisting that it will talk only with the United States.

A KAEF spokesman said that the IAEA should be concerned about the nuclear waste of the nuclear superpowers as much as it is now worried about the nuclear development of developing countries.

Rally Protests Dumping

SK2010060593 Seoul YONHAP in English 0518 GMT 20 Oct 93

[Text] Seoul, Oct. 20 (YONHAP)—The Korean public is joining the government in sending Russia a clear message that they want it to stop dumping nuclear waste off their coast through campaigns and by writing to Moscow. A rally was scheduled for Wednesday afternoon in front of the Russian Embassy in Seoul by 10 environmental, civic, religious, and anti-nuclear groups, including the Korea Environment Action Federation [KEAF], Kyongsilyon [Citizens' Coalition for Realizing Economic Justice], and the YMCA.

The organizers delivered a protest letter to the Russian envoy in which they called the disposal of nuclear waste at sea a crime against future generations. The letter calls for an immediate halt to dumping and maritime radioactive contamination, claiming that it threatens to kill the people of neighboring countries. Despite the international furor, Russia is to dump another 800 cubic meters of radioactive liquid in the same part of the East Sea [Sea of Japan] that it poured 900 cubic meters on Sunday.

KEAF has demanded that the South Korean Government become more actively involved and it has proposed the creation of a joint government-private, Korea-Russia team to measure radioactive contamination of the East Sea. Other groups are considering whether to send their own experts to the area of ocean where the waste was dumped. The government holds a comprehensive working-level meeting later in the day to discuss effective ways to tackle Russia's random waste dumping.

Officials of the presidential office, prime minister's office, Economic Planning Board, Environment Ministry, Fisheries Administration, Korea Maritime and Port Administration, Korea Atomic Energy Research Institute, and Navy will meet at the Foreign Ministry to exchange views on the matter and to make detailed plans.

Country May Include North in Nuclear Dump Talks

SK2010064593 Seoul YONHAP in English 0602 GMT 20 Oct 93

[Text] Seoul, Oct. 20 (YONHAP)—Seoul is considering including North Korea in multilateral talks to stop Russia disposing of its nuclear waste in the East Sea, Foreign Minister Han Sung-chu told the National Assembly on Wednesday.

"North Korea, too, protested to Russia on the matter and the two sides were to open their first bilateral negotiations this month, although they haven't done it yet," Han told the Assembly Foreign Affairs and Unification Committee.

"We will closely watch what happens in the negotiations and consider whether to include North Korea in the Seoul-Tokyo-Moscow joint talks," he said.

Russia ignored an international outcry and went ahead to dump what is believed to be 900 cubic meters of liquid nuclear waste in the East Sea on Sunday and said it had no choice but to dump more because of a shortage of onshore storage sites.

The South Korea-Russia bilateral meeting will open Nov. 3-4, earlier than the initially scheduled Nov. 15-16, and the government intends to send a high-level official, the foreign minister said.

Han reiterated Seoul's plans to join the London Dumping Convention (LDC) this month, emphasizing that South Korea could not resort to stronger countermeasures because it is not yet a partner to the convention.

Moscow has, however, indicated that it will announce a halt to the dumping at the next LDC meeting, opening Nov. 8, he said. The dumping problem will be a priority topic at the South Korea-Japan summit next month, he said.

Due to the seriousness of environmental issues such as the East Sea dumping, the Foreign Ministry plans to establish a new bureau to deal solely with science and environmental agendas, said Han.

Committee Adopts Resolutions on Nuclear Issues

SK2010114993 Seoul YONHAP in English 1152 GMT 20 Oct 93

[Text] Seoul, Oct. 20 (YONHAP)—The National Assembly Foreign Affairs and Unification Committee on Wednesday adopted two resolutions—one on North Korean nuclear issues and the other on Russia's dumping of nuclear waste into the East Sea.

In the resolution on the nuclear question involving North Korea, the Assembly committee urged Pyongyang to accept forthwith nuclear inspections by the International Atomic energy agency (IAEA) and fulfill its treaty obligations under the nuclear safeguards agreement. The resolution also said the Assembly fully supports the measures taken by the IAEA and the United Nations Security Council with respect to the North Korean nuclear issues.

The other resolution on Russia's nuclear waste dumping demanded that Russia stop dumping nuclear waste into the East Sea, aware that the dumping not only violates international agreements but also has a serious effect on the sea ecological system and environment of the East Sea and nearby coastal areas. The adopted resolutions will be referred to the National Assembly plenary session for review and adoption.

Two Cars Stolen From Ambassador in Moscow

SK1910004693 Seoul YONHAP in English 0009 GMT 19 Oct 93

[Text] Moscow, Oct. 19 (YONHAP)—South Korean Ambassador Kim Sok-kyu has had two cars stolen in five days, arousing suspicion that the thefts could have been perpetrated deliberately to embarrass South Korea. His Mercedes Benz 124-001 was parked in front of a McDonald's restaurant in the heart of Moscow when it was stolen at around 1 PM Sunday. He was using the car temporarily after his own car was stolen a few days before.

Ambassador Kim had ordered his driver to stand by to carry Kang Yong-hun, visiting chairman of the Korean National Red Cross, from the airport. His Russian chauffer drove the car to McDonald's to buy some lunch, but the car was gone when he came out of the restaurant after five minutes. There were lots of people around in front of McDonald's at the time.

Earlier Wednesday, the ambassador's Mercedes Benz 300 was stolen while he was having lunch at his residence. The car, parked in front of the Russian driver's house, was gone when it was left unattended only for five minutes. The South Korean Embassy has asked the Russian authorities to undertake a thorough investigation into the thefts since they took place during the state of emergency imposed by President Boris Yeltsin to put down a rebellion by hardliners.

The South Korean Embassy, meanwhile, has decided to strengthen security around the chancellery and the ambassador's residence and for embassy officials. It is unprecedented for any foreign ambassador to lose his car twice in five days, one embassy official pointed out, and said there is a strong possibility the thefts were carried out to embarrass and harm South Korea.

Former KPA Officer on DPRK Nuclear Development

SK2010105393 Seoul CHOSON ILBO in Korean 20 Oct 93 p 6

[Summary by reporter Yi Chun-sam of testimony by Yim Yong-son, former first lieutenant of the Korean People's Army, from article in November 1993 issue of WOLGAN CHOSON: "North Korean Army Believes in Its Possession of Nuclear Weapons"]

[Text] Resistance against Kim Il-song and his son is taking place throughout North Korea. It is said that a television relay tower erected on high land in South Hamgyong Province in February 1992 was destroyed and that leaflets instigating anti-Kim Il-song sentiment were scattered at that site. An antiestablishment person residing in Chongpyong, South Hamgyong Province, was making subversive leaflets at his home in late 1992 and was arrested by the State Security Department after his daughter-in-law reported this to the department.

Printed materials reading "Down With Kim Il-song and Kim Chong-il" were scattered around the Chongjin stadium in Chongjin. The State Security Department investigated this.

Ten high-ranking generals, graduates of a former Soviet Union military college, attempted a coup d'etat at the end of 1992. This, however, was uncovered by the Security Bureau of the Ministry of the People's Armed Forces and all of them were executed. Kim Il-song personally offered a celebratory drink to the director of the Security Bureau, saying: "You have done this for the reunification of the fatherland, thus performing a greatly meritorious deed." Kim Il-song, then, awarded him with a special double promotion of rank, pinning the insignia of general on his shoulder. Rumor has it that a vice marshal and a general were involved in this abortive coup d'etat.

A drinking trend is sweeping throughout military units. Officers have to live in barracks for a lifetime and soldiers live in barracks for over 10 years. As a result, they succumb to drinking to drown their cares in wine. Military discipline has been extremely lax. It is common for soldiers to loot civilian houses. Disciplinary actions within the Army have decreased considerably because the atmosphere within the Army is dominated by the soldiers' easygoing attitude. Intimate comrades among the People's Army soldiers, who have had heart-to-heart talks with one another, curse Kim Il-song over drink on a frequent basis.

The People's Army experiences the toughest service life during February and March of every year when the Team Spirit exercise is conducted. If a state of semi-war is declared, soldiers leave the barracks and live in pits. They maintain combat readiness in pits for 15 days, even in the cold winter weather. They sometimes receive training for as long as they can endure under such severe weather with the pit gate closed. Therefore, the words, "Team Spirit exercise" mean something like the word "hell" to the People's Army.

Officers and soldiers of the People's Army are proud of one thing even under such terrible conditions: The development of nuclear and chemical weapons. Almost the entire People's Army believes that North Korea already possesses nuclear weapons. The People's Army is confident that North Korea will use them in an emergency. I received a tip on top secret information on the development of nuclear weapons from Colonel Chu Il-hyon, chief of the political desk of our unit; and Major Paek Tong-sik, security staff of our unit. They said to me: "They are making nuclear weapons at a underground location in Yongbyon. The place is sealed with a thick layer of lead. A tank unit in Anbyon, Kangwon Province has a separate steel container that can store nuclear bombs during wartime. No matter how noisily the world makes a fuss over our nuclear development, functionaries related to the nuclear development are carrying out the work assigned to them and know how to do it."

A high-rise apartment building on Tong-il street in Pyongyang collapsed in early April of this year leaving 500 people dead. While passing a place nearby two days after this happened, I stopped by the scene to satisfy my curiosity and found that a 250-story apartment building collapsed. I also found that they stretched ropes around the scene, blocking residents' access. This mishap took place because soldiers, who belong to the Engineering Bureau of the Ministry of Public Security, excessively expedited the construction by not letting the concrete harden properly and by building one story per day in a bid to shorten the project schedule.

The degree of antagonism of North Korean residents against South Korea varies according to age. Older people do not endlessly regard South Korea as their enemy. They call President Kim Yong-sam a puppet in public, but words used by them in private are not that hostile.

Even cadres of the Workers' Party express worry to each other whenever candid and informal occasions arise: "If it is kindled, it will explode overnight and collapse." Chances are still slim that a popular uprising will take place in North Korea. If the North Korean economic situation worsens and if the real situation in South Korea is known to the North, the situation will change. If this happens, chaos will take place. It is expected that people of the ruled class will slaughter those of the ruling class.

In order to have to real situation in South Korea known to North Korea, it is desirable that South Korea send more South Korean commodities to North Korea by pretending to make concessions. Eventually, North Korean residents will no longer be deceived by internal propaganda.

DPRK Reportedly Discovers Two Oil Fields

SK2010094593 Seoul YONHAP in English 0920 GMT 20 Oct 93

[Text] Beijing, Oct. 20 (YONHAP)—The favorite theme of chattings among senior North Korean officials these days is the alleged discovery by North Korea of two large seabed oil fields, a Chinese source here said on Wednesday. The source, who keeps in touch with North Korean officials, said, "I have recently learned from a reliable North Korean official that North Korea has lately discovered two major seabed oil fields."

The source said it is especially noteworthy that the discovered oil fields are believed to contain large oil deposits.

"I was told that a Swedish firm which is internationally famed for seabed oil exploration and development has already begun work in the two oil fields," the source said. He added that there were talks of the discovery of another oil field near Myongju of North Hamgyong Province along the east coast. "But, the saying of this discovery is no more than a rumor at this stage," the source said.

It was learned, he said, that North Korea originally planned to announce the discovery of the two oil fields on last Sept. 9 which marked the 45th anniversary of the North Korean regime. But, Pyongyang put it off until a later date because a Washington-Pyongyang dialogue on North Korea's nuclear issues showed some progress at that time.

North Korean officials refuse to say where the two oil fields were found, but the likely location is the sea off Nampo along the west coast, the source added.

Ministry Says DPRK Economy Shrank in 1992

SK2010023093 Seoul YONHAP in English 0108 GMT 20 Oct 93

[Text] Seoul, Oct. 20 (YONHAP)—North Korea's economy is in reverse gear and accelerating, shrinking an alarming 7.6 percent last year in its worst 12 months ever, the Trade, Industry and Energy Ministry said Wednesday.

North Korea's gross national product [GNP] declined 1.8 billion U.S. dollars from 1991 to 21.1 billion dollars and trade volume dropped 2.2 percent to 2.66 billion dollars last year. It was the third straight year of contraction for North Korea, and the worst ever. Its GNP was no more than one-fourteenth of South Korea's, which was 294.5 billion dollars last year, and trade was one-sixtieth of South Korea's 158.4 billion dollars. Per capita GNP in North Korea was 943 dollars in 1992, compared to 6,749 dollars in the South.

Imports of crude oil fell 40 percent to 1.52 million tons last year, but military spending reached 5.54 billion dollars, almost half South Korea's 11.19 billion dollars.

Military spending accounted for 30 percent of the North Korean budget in 1992, compared with 26.1 percent of South Korea's.

North Korea built about 10,400 automobiles and 55,000 tons of ships, compared to 1,725,000 automobiles and 4,567,000 tons of ships manufactured by South Korea.

North Korea produced 5,746,000 tons of iron ore, much more than the South's 222,000 tons, but iron and steel production was 1,793,000 tons, compared to 28.05 million tons in South Korea.

Sports Officials Leave for Meeting in Pyongyang

SK2010023493 Seoul YONHAP in English 0159 GMT 20 Oct 93

[Text] Seoul, Oct. 20 (YONHAP)—Six South Korean sports officials left for Pyongyang on Wednesday morning to meet with their North Korean counterparts for the first time in two years. The six Korean Olympic Committee (KOC) officials are flying to Beijing via Hong Kong, and are scheduled to receive visas at the North Korean Embassy on Friday and arrive in Pyongyang on Saturday.

The delegation, led by Yi Kang-pyong, KOC secretary-general, will attend the seventh meeting of the East Asian Games Association (EAGA) in Pyongyang on Oct. 24-25. The meeting will discuss Pyongyang's hosting of the second East Asian Games and Seoul's possible hosting of the third games. The KOC officials, however, are expected to tap North Korea's intention on resumption of inter-Korean sports exchanges.

Inter-Korean sports relations, which once showed signs of improving with exchanges of youth soccer teams in 1991, soured again later that year due to the political situation in and around the peninsula. In May 1991, soccer players and officials exchanged visits through the Truce Village of Panmunjom to make a unified team for the World Youth Soccer Championships.

Summit Talks With Japan To Take Place in Kyongju

SK2010083193 Seoul YONHAP in English 0810 GMT 20 Oct 93

[Text] Seoul, Oct. 20 (YONHAP)—The first Seoul-Tokyo summit under the new Korean and Japanese Governments will be Nov. 6-7 in the ancient city of Kyongju, the presidential spokesman announced Wednesday.

Japanese Prime Minister Morihiro Hosokawa will meet President Kim Yong-sam for summit talks on Nov. 6 and they will meet again for breakfast the following day, Yi Kyong-chae said.

"The two leaders will exchange opinions on political situations in Northeast Asia and the world and discuss promotion of bilateral relations," he said. Hosokawa is to come on a working visit, which does away with formalities and protocol.

Asked whether the two leaders will address Russia's nuclear waste dumping in the East Sea [Sea of Japan], the spokesman said Moscow acted in violation of an international agreement and did serious harm to Korea and Japan.

"President Kim and Prime Minister Hosokawa will seek joint measures on the problem," Yi answered. "The United States also takes this problem seriously and the three countries will sit down to discuss joint steps."

Major summit topics are also likely to include North Korea's nuclear situation, Asia-Pacific Economic Cooperation (APEC), and settlement of unhappy past when Korea was under Japanese colonial rule (1910-1945).

Former President No Tae-u set a precedent of summiting outside of the capital when he went to the historical Japanese city of Kyoto last November.

Chinese Ambassador on Nuclear Issue; Taiwan

SK2010081993 Seoul YONHAP in English 0750 GMT 20 Oct 93

[Text] Seoul, Oct. 20 (YONHAP)—China doesn't agree to either South or North Korea possessing nuclear weapons and plans to assume an active role to solve the nuclear problem on the Korean peninsula, ambassador to Seoul Zhang Tingyan said Wednesday.

"We hope for South and North Korea to resolve the nuclear situation through sincere and patient negotiations," the envoy told a luncheon sponsored by the Korean Council on Foreign Relations. Beijing doesn't agree to either side possessing nuclear weapons and supports denuclearization of the Korean peninsula, he stressed.

"China will play an active and constructive role to solve the Korean nuclear problem as soon as possible," Zhang said without going into how Beijing will assume such a role. He belittled his country's recent underground nuclear test, saying China has restrained tests to the utmost and the number was extremely small.

"China will not use or threaten with nuclear weapons against non- nuclear countries and nuclear-free zones," Zhang said in his speech.

On moves to exchange representative offices between Seoul and Taipei, the ambassador said his country did not oppose informal, non-government relations.

"We don't oppose a country which has diplomatic relations with China establishing non-government relations with Taiwan," Zhang said. "But we do oppose relations between governments."

Addressing the bigger Asia-Pacific picture, the envoy emphasized Beijing's affinity to the region.

"China's development is intimately related with the Asia-Pacific region," he said, reminding the audience that China places "great emphasis" on economic cooperation with the region and has participated closely with it.

Talks With PRC Likely in Seattle 19 Nov

SK1910055593 Seoul TONG-A ILBO in Korean 19 Oct 93 p 1

[By reporter Kim Chung-kun in Beijing]

[Text] The ROK and the PRC are promoting summit talks between President Kim Yong-sam and PRC President Jiang Zemin. The summit talks are likely to take place around 19 November in the United States where a general meeting of the Asia-Pacific Economic Cooperation [APEC] will be held.

A source of the ROK Embassy in the PRC said on 18 October: "The ROK and the PRC will participate in the APEC general meeting. We understand that the two countries have secretly promoted the summit talks on the occasion of the APEC general meeting and agreed in principle on holding the talks." The source added: "Foreign Minister Han Sung-chu, slated to visit the PRC on 27 October, and PRC Foreign Minister Qian Qichen will decide on major topics for the summit talks. If President Kim and President Jiang meet, however, the greatest significance will be attached to the fact that this will be the first summit meeting since they took office."

The source also said: "The most likely date for the summit talks will be October 19 or 20, when the two heads of state will both be in Seattle." The source went on to say: "The PRC domestic situation makes it difficult for President Jiang to visit the ROK some time this year. The summit talks in Seattle, therefore, will be of equal significance as an ROK visit by President Jiang and subsequent summit talks."

New U.S. Ambassador's Remarks on DPRK Cited

SK2010001893 Seoul YONHAP in English 0002 GMT 19 Oct 93

[Text] Washington, Oct. 19 (YONHAP)—James Laney, who is scheduled to arrive in Seoul on Thursday to take up his post as U.S. ambassador, said Tuesday that he will keep a close watch for any change in North Korea's position on the nuclear issue in the next two weeks. North Korea has a tendency to make an alternative proposal on any issue at the last moment, Laney said at a press conference he gave to Korean correspondents in the U.S. capital. It is important to maintain the continuity of nuclear safeguards in North Korea, Laney said.

U.S. policy on the North Korean nuclear issue is firm, Laney added. He also said the United States' relations with South Korea are important not only in security but also in the economic field. To strengthen the existing friendly ties between the two countries is the job of the U.S. ambassador to Seoul, he said.

The United States believes that unification of Korea has to be achieved through the hopes and desires of the Korean people, Laney said.

Foreign Minister on Rent-Free U.S. Embassy

SK2010060993 Seoul YONHAP in English 0539 GMT 20 Oct 93

[Text] Seoul, Oct. 20 (YONHAP)—The United States uses five installations in South Korea for free and refuses to negotiate on their return or rental fees, Foreign Minister Han Sung-chu told the National Assembly Wednesday. The five are the U.S. Embassy, a General Service Office (GSO) and embassy staff residence in Seoul, and the U.S. Information Service offices in Pusan and Kwangju, Han told the Assembly Foreign Affairs and Unification Committee.

"There is no legal basis for free use of the two installations (the embassy staff residence and GSO inside the Yongsan Military base), so we are demanding their return," he said. But the United States is saying that the two sides should find a solution based on bilateral cooperation rather than law, Han told the committee.

Korea proposed exchanging the two Yongsan facilities for the other embassy staff residence sites in Seoul, which are owned by the United States, but the two countries have yet to reach an accord, he said.

Washington insists that free use of the other three installations is legal under bilateral pacts and contracts, but Seoul has concluded that the term for free use has expired, according to the foreign minister.

"We have asked the United States to pay rent for the sites, but the two sides have different legal interpretations," he said.

* Foreign Minister Leadership Style Discussed

932C0225A Seoul CHUGAN CHOSON in Korean 2 Sep 93 pp 28-30

[Text] More than any other government agency, the Foreign Ministry boasts of it's pure bloodline. Their worship of bloodline is unusually strong. The current ministry is comprised of diplomats who have all been through the same grueling process such as the foreign service examination. There are doubtless foreign ministries of other nations which are also similarly comprised of career diplomats but our case, even diplomats concede, is particularly strong.

Generations of foreign ministers have been the same. Ever since the late 60's, when the career diplomat system began, there has been a strange, unwritten law, that the foreign minister is always chosen from among the assistant foreign ministers. If we glance down the list of past foreign ministers, with few exceptions, we discover people like Chong Il-kwon, all foreign ministers who were career diplomats.

Boastful? With the appearance of Foreign Minister Han Sung-chu, this unwritten law was broken. There was much confusion last February 26 when President Kim Yong-sam unprecedentedly appointed Minister Han, who was then a professor at Goryeo University, especially among senior diplomats who expressed such comments as: "I don't know what to say." There is a widespread rumor that upon hearing of Minister Han's appointment Korean ambassador's stationed abroad stopped working for a few days. Another rumor has it that one anonymous ambassador, an exceptionally proud man, said: "Are career diplomats, people who have sacrificed their lives for the nation, held in such low esteem?" After saying these famous words, he even left for a few days of vacation.

It has now been six months since Minister Han's lonely appearance at the Foreign Ministry. Since his appearance, public opinion of his ability has been somewhat mixed. It is indicated that the public debate over strong versus moderate handling of the North Korean nuclear issue, has been a cause for the mixed opinion concerning Minister Han. But, at least as far as diplomats are concerned, the response is unanimously enthusiastic.

Some diplomats have even gone far enough to say: "Now life is worth living." This exaggerated response is not limited to officials and administrators who work at headquarters either. From the experienced diplomats who work as researchers of diplomacy for national security, to the diplomats I met while traveling overseas, none have been reluctant to give a positive rating. During the 6th republic, members of the Foreign Ministry always criticized whoever was current minister behind his back. As a result, when referring to the

Foreign Ministry, people would sarcastically compare it to a "leaky ladle." Considering this, we can see that Minister Han has safely established himself at the ministry, in spite of the pure blood doctrine.

Last June 16th, while visiting England, there was a harmonica recital in Minister Han's quarters. On the last day of the 10-day, five-nation European tour, Minister Han invited the members of his entourage and the press to his room. After everyone had had a few glasses of champagne, Minister Han suddenly asked: "Anyone want to hear me play the harmonica?" He then proceeded to play a harmonica that he had bought in Paris. While listening to him play Edelweiss and a few American folk tunes, one diplomat commenting on Han's image said: "He always reminds me of a bashful young man." Last July in Singapore, at a foreign minister's convention held at the end of the month, during the farewell banquet, before an audience of representatives and foreign ministers from 13 nations, Minister Han played the harmonica.

A foreign minister who doesn't hesitate to play the harmonica—this is something until now unimaginable for a Korean foreign minister. Outwardly, Minister Han gives one the impression of being frail. It begins with the words he uses to express himself. Also, it is difficult to understand him sometimes because he talks so quietly. Add to this his thin frame and it becomes almost impossible to visualize a strong image. While this kind of personality may have its shortcomings, it does put the other person at ease. Especially when meetings with foreign ministers from other nations are concerned, Minister Han has a rather unique way of bringing the discussion around to his agenda. To borrow the words of one diplomat: "He uses the trick of bringing out the maternal love in the other person to obtain their concession." At the conferences he participates in, no matter how difficult the subject, the atmosphere is never formal. A good example of this is the three Chinese-Korean foreign minister conferences held since last April with Jun Gi-shim, the Chinese deputy minister of foreign affairs. In spite of the fact that the purpose of the meetings concerned the difficult subject of obtaining China's cooperation in developing a solution regarding the North Korean nuclear issue, officials who attended the meetings remarked that the climate was so relaxed that they actually felt uncomfortable.

This relaxed climate and way of doing things has played a big part in the welcome reception that Han has received at the Foreign Ministry. Because he's more bashful than modest, there have been almost no instances of resistance from those around him. Almost all of the officials at the Foreign Ministry above the rank of deputy foreign minister, are alumni of the same high school and graduated the same year as Han (Gyong-gi, class 54) or they graduated from the same college, Seoul University, or they graduated from the same schools before Han. Accordingly, if Minister Han were to be the overbearing type and so use his substantial authority as foreign minister, there would be quite a bit of resistance. The most dramatic display of his ability since becoming foreign minister has been his "New Diplomacy Concept." Since immediately after his appointment as foreign minister, Han's major goal has been to increase the autonomy of the Foreign Ministry. He has said: "If the Foreign Ministry cannot decide foreign policy, I am ready to resign immediately." Although during the 6th republic, diplomats always had both the Blue House and the National Security Planning Agency breathing down their necks, now they say such obstacles have been almost completely removed. Also a common occurrence, during the 6th Republic, was the criticism by active service diplomats of Foreign Ministry policy and operational priorities.

Based upon this principle of autonomy, our government's conduct of diplomacy, that is, what type of attitude will be adopted when dealing with other governments, is made clear, domestically and overseas, by the New Diplomacy Concept. Foreign Minister Han personally devised its five principles. They are: internationalism, diversity, pluralism, local cooperation, aiming for the future, an so forth. People point out that the critical moment to display the operational value for this idea, conceived while Han was a scholar, is now. The human rights issue, cooperation for world security, joint participation in international movements, enlarging the diplomatic foundation—these professed policies of New Diplomacy have been the subject of much discussion at the Foreign Ministry. No matter how many beads you have, unless they are put on a chain, they are worthless, but once a string is passed through it becomes a treasure. So it is with ideas. Foreign Minister Han had to put the ideas in active service diplomat's heads together.

The person who most strongly supports Han's operational priorities is no less than President Kim Yong-sam. Many diplomats ask themselves, "Would Han have had this much freedom of movement under other political regimes?" During the past military governments, diplomatic policy was dragged around by the objectives of political power. It is known that President Kim is well aware of the strong dissatisfaction held by diplomats over such activities, and as much as possible, respects the opinions of the Foreign Ministry. At one time, regarding diplomatic policy, diplomats understood that if someone said "the president wishes" that meant it was supposed to be done. But now, those same diplomats are very encouraged, because they know that President Kim is not an "impregnable fortress." Even the president is now approachable and can be persuaded. Early last April, while meeting with Korean consuls from 28 nations, he was able to resolve an old grudge at the Foreign Ministry. While it was the cause of diplomats greatest complaint, not even foreign ministers of career diplomat backgrounds had been able to touch it. That problem involved the bold dismissal of all the ambassadors who were ex-army paratroopers. If we consider this one fact, we can see hat Han is typically gentle in appearance but strong in spirit.

His outward appearance creates a weak image that, although at times is a strength, is also one of his main disadvantages. In the diplomatic process, it is difficult to attain perfect results without domestic support. Han Sung-chu is having to exercise diplomatic power in the absence of public opinion. This is especially true in the case of the North Korean nuclear issue. Since his appointment, this has been the greatest problem Han has faced. North Korea withdrew from the Nuclear Nonproliferation Treaty (NPT) on 12 March, just two weeks after Han's appointment. During the last five months, Han and the rest of the Foreign Ministry team, as the responsible agency for this issue, have concentrated all diplomatic efforts on this problem. Until now, the process of solving the North Korean nuclear problem has been completely the result of the diplomatic team's ideas used as a foundation around which the U.S., China, and others have built their negotiations. As the days and hours have passed, the Foreign Ministry has received a great deal of criticism concerning their policies from without. Other bureaus that have to work together over the North Korea issues, have been especially critical of Han and the Foreign Ministry team. Early last July, at a private gathering, Han admitted: "I thought diplomacy was judged by how well we handled our foreign dealings, but in reality, after I came to be the foreign minister, I found out that domestic politics are just as important as foreign diplomacy."

Even before becoming foreign minister, Han was already a well-known scholar both nationally and internationally. He had been an active columnist for over 10 years with the American weekly current events magazine, NEWSWEEK. His columns wielded a lot of influence. He was especially famous overseas. Among the foreign ministers of all nations, Han has many friends with whom formal titles are jettisoned; and they call each other by their first names. Famous as the father-in-law of the crown prince of Japan, Owada, Japanese deputy minister of foreign affairs and Han, because they are both recognized in learned circles, can converse with each other as friends. In every country Han visits, to see friends in both the diplomatic and academic communities, he always receives a warm welcome. Unfortunately though, on the national scene, he is always put in the position of being attacked. Lately, Han worries because he knows that a foreign minister who is only welcomed overseas, or by the Foreign Ministry, cannot succeed. His speeches are the same. After graduating from college, Han studied abroad in America, where for 14 years he taught. In contrast to the fame he has received for his excellent speeches given in English at international meetings, nationally his speeches are met with little interest.

Whether because of this situation or not, gradually Minister Han has begun to hide himself at the Foreign Ministry behind a "human curtain." Also it is said that the survival of the nation depends upon Han's speaking ability, and, until now, the public evaluations on this point have all been negative. Whether or not Han will be able to overcome these limitations remains to be seen. The showdown is expected to come this fall, based upon the outcome of the North Korean nuclear issue and the progress made toward reform of the Foreign Ministry.

New Minister Impresses Assembly Members

SK2010092993 Seoul YONHAP in English 0819 GMT 20 Oct 93

[Text] Seoul, Oct. 20 (YONHAP)—Only two days after the 63-year-old former professor was named transportation minister, Chong Chae-sok has become the talk of political circles with his unconventional demeanor. At a National Assembly session of government inspection, for instance, Chong, unlike many timid ministers, did not hesitate to interrupt lawmakers while they were asking questions, expressing agreement with or refuting hostile representatives. He appeared to be so sure of himself and about his job, that some lawmakers praised him for what they perceived as a confident manner while others called him rude.

Chong even had the audacity to take his shoes off and scratch his stockinged feet while answering questions by lawmakers. He was appointed transportation minister by President Kim Yong-sam on Monday, after Yi Kye-ik was fired over the sinking of the Sohae-ho ferry in the West Sea on Oct. 10.

Chong is, of course, no stranger to cabinet jobs as he served as vice economic planning minister and commerce and industry minister in 1979-1980. But he had been a professor of business management at Hanguk University of Foreign Studies in Seoul since then. He showed his true colors, so to speak, to representatives and observers on the first day he was appointed minister and showed up at the National Assembly to answer questions from members of the Transportation and Communications Committee.

Right off the bat, Chong told the lawmakers that he was glad to see some familiar faces on the committee and asked if he could express his personal opinions on transportation policies. He then proceeded with a statement in which he said that he plans to heighten the morale of officials at his Ministry, inspiring them to work harder for the country. He was unapologetic about the ferry disaster but promised the committee, like other ministers usually do, to do his best to right the wrong.

On the second day of parliamentary inspection of his Ministry on Tuesday, he sat next to his vice minister, who answered most of the questions for him since the newly appointed minister has not had time to become familiar with administrative details. But Chong often chimed in with "ah yes..." or "you are absolutely right," agreeing to remarks made by critical lawmakers rather than supporting his vice minister.

While talking to friends in the Assembly during a recess, Chong complained of the hard work.

"If I had known that I would have to work this hard as a minister, without having enough sleep, I would have stayed at the university," he quipped.

"Since I was the much more important minister of commerce during the third Republic, I wasn't very enthusiastic about becoming a transportation minister. But I had to accept the appointment as Chongwadae [presidential offices] asked me so strenuously," he added.

Chong said that he has "no connection" to President Kim or to anyone else in Chongwadae. "Perhaps, I was selected because I have such a noble character," he said.

Official Says Loans Promised to Hungary, Poland

SK1910075193 Seoul YONHAP in English 0640 GMT 19 Oct 93

[Text] Seoul, Oct. 19 (YONHAP)—The South Korean Government promised to provide economic loans worth 1.1 billion U.S dollars to Hungary and Poland when Seoul normalized ties with the two East European countries in 1989, Rep. Yi Chol said Tuesday, quoting data of the Economic Planning Board. Yi, an opposition lawmaker, said at an inspection by the National Assembly Economy and Science Committee that the No Tae-u government had promised loans worth 650 million dollars to Hungary and 450 million dollars to Poland respectively as a precondition of normalizing ties with the two countries.

Of them, 294 million dollars has been delivered to Hungary and 38 million dollars to Poland as of the end of August. Of the promised loans to Hungary, bank loans were 250 million dollars: Private investment funds, 200 million dollars; relending facilities, 25 million dollars; deferred payment export funds, 125 million dollars; and Economic Development Cooperation Fund [EDCF], 5 million dollars. Of the promised loans to Poland, EDCF was 50 million dollars and export-import bank funds, 400 million dollars.

"The negotiation with Hungary for normalizing ties was done by the chairman of Hungarian National Bank and Rep. Pak Chol-on, then a presidential adviser. Then-Foreign Minister Choe Ho-chung was the chief delegate in negotiations with Poland," Yi said.

Party Sets Date for Next Presidential Election

SK1910045193 Seoul YONHAP in English 0236 GMT 19 Oct 93

[Text] Seoul, Oct. 19 (YONHAP)—The ruling Democratic Liberal Party has decided to hold the next presidential election on Dec. 18, 1997, and the parliamentary elections on April 4, 1996. The DLP has also chosen Feb. 16, 1995, for elections of small city, county and ku (ward) councils and heads of smaller local autonomomous bodies. Elections of large city and provincial councils and heads of autonomous bodies in large cities and Provinces will be May 11, 1995.

The decisions were made by the party's special committee deliberating an omnibus election law governing elections at all levels. The proposed political legislation calls for the presidential election to be on the first Thursday counting from 70 days before the current presidential term expires. And the general elections are to be on the first Thursday counting from 60 days before the expiration of the terms of current representatives.

Elections of local councils and heads of local autonomous bodies are to be held on the first Thursday counting 60 days before the end of the terms of the current members.

The ruling party plans to hold elections for councillors and administrative heads of small local autonomous bodies on the same day while those of large city councils and heads of large local autonomous bodies will be held together on another day.

The new election law would allow active journalists to run for elective office. At the same time, however, it would call for the establishment of a watchdog body for fair and objective reporting by the news media on election-related stories.

The DLP has also decided to include a provision that would grant immunity from prosecution for anyone who acknowledges acceptance of a bribe during the campaign period. In order to shut out interference in elections by the military, the proposed law would bar invasion of an individual's right to a secret ballot by not only members of the military but also officials of military investigative bodies.

Former Prosecutor Sentenced to 18 Months for Bribery

SK1910080393 Seoul YONHAP in English 0626 GMT 19 Oct 93

[Text] Seoul, Oct. 19 (YONHAP)—Yi Kon-kae, a former head of the Taejon District High Prosecutor's Office, was convicted of bribery and sentenced to one and half years in prison on Tuesday.

Panel No. 23, presided over by Judge Kim Hwang-sik of the Seoul District Criminal Court said that though the 540 million won Yi had received from Chong Tok-il, brother of slot machine tycoon Chong Tok-chin, in 1988 was not considered a bribe because he exchanged the money for an IOU, it had the nature of a bribe because the IOU did not specify an interest rate or repayment period. Yi was charged with bribery in May.

The prosecution had demanded a maximum seven years in prison plus a fine of 540 million won, and a minimum two and half years in prison with the same fine. Yi lowered his head while listening to the sentence and shed tears when the judge pronounced him guilty.

* Real Name System Shuts Off Political Funds

932C0224A Seoul CHUGAN CHOSON in Korean 2 Sep 93 pp 24-26

[Article by reporter Sim Yang-sop]

[Text] The political world is in chaos as the country is hit by the typhoon of the real name financial system. Many of the assemblymen draw a deep sigh in frustration in the Assemblymen's Office Building. The reason is that the channel of money inflow, which has been their lifeline up to now, has been cut off by a stroke. Their outlook is really bleak because they do not know how to survive in the "era of real name politics," in which there will be no more under-the-counter political funds, and the flow of political funds will become as transparent as a glass pane.

"From now on none but politicians will have a hard time. We have to worry about the 15th general election. Particularly, members of the ruling party are all the more worried. In the past the ruling party had an advantage in the elections thanks to its organization because organization means money. The Democratic Liberal Party [DLP] says it will trim the personnel of its district chapters. But unless the central party headquarters makes personnel cuts once again at the same time, it will be difficult to reduce the personnel of the district chapters. That is not an easy thing to do. How do you expect to cut the headquarters personnel again when the aftereffects of the last personnel reduction still remain unhealed. It is really a hot potato. After all, we will have to cut down on the party's various operational funds at the risk of a shrinkage in party activities." (A DLP executive officer)

"They say the upper limit of the fund collection from the supporters' associations will be adjusted upward. But there won't be many contributors. Most of contributors donate money to promote their interests. For instance, people join the supporters' association because they need politicians' help in their business, or need help in obtaining loans, or want to make an advance investment in some promising politician. But the real name system has rendered all these calculations inoperable. The amount of operational losses that can be written off is limited at 0.5 percent of the sales, leaving little room for setting aside secret funds. There should be some measures, such as excluding political contributions from this limit." (A Democratic Party [DP] heavyweight)

In short, the reaction of politicians is, "The good old days are gone forever...." The new political environment created by the real name system spells hardships for most politicians. A DLP assemblyman said, "In the future many assemblymen will be left holding an empty purse... I don't feel that being an assemblyman is fun any more." Said Assemblyman Yi Han-tong [Yochon-Pochon District: "The real name system represents a sweeping revolution that alters all our customs, way of thinking, and culture that have been carried down for the past 5,000 years." "Everyone should," he stressed, "be wise enough to adapt themselves to the real name system so that it may revitalize our economy." Assemblyman Yi confided, "I have not been active as a lawyer for the past 10 years. But I think I have to hire young lawyers to handle cases from now on."

The root of the agony of politicians lies in the fact that while their political funds shrink, the demand for political funds cannot be contained overnight. Explaining his difficulty, a three-term DLP assemblyman belonging to the RDP faction said, "In my constituency there are more than 200 groups which I have to be concerned about. When they hold some event, I have to make some donation." Meanwhile, a United Peoples Party [UPP] assemblyman said, "The mentality of the electorate has not changed." DP Assemblyman Pak Sang-chon (Kohung District) predicts, "From now on people will become a bit more tightfisted as the unearned income of society as a whole decreases."

Needless to say, some assemblyman feel free and easy because the real name system frees them from the burden of political funds. According to them, there has been a distinct phenomenon of the richer getting richer and the poor getting poorer among assemblymen in local constituencies, but they feel relieved because no politician can afford to spend money lavishly any more. A DLP freshman lawmaker said, "The management of the local constituency has become relatively easier." This is because in his words, "When the opponent scattered money around, I had to offset it by working my constituency harder; but I feel no more such pressure now."

According to some observers, talent-turned assemblymen or those assemblymen who became popular by their parliamentary performances well find it relatively easier to collect political contributions in the era of real name politics. This is to say that when these celebrity assemblymen sponsor a fund-raising event, it will attract a large crowd. In the past, political heavyweights and aides to the persons in authority had an advantage in under-the-counter political fund-raising, but popularity and ability will be the necessary ingredients in open political fund-raising in the future. Needless to say, no matter how popular one may be, he cannot exceed the limit of contribution (currently 150 million won a year)....

What would be the case with DLP assemblymen belonging to the Reunification Democratic Party [RDP] faction, which is at the center of power? An assemblyman belonging to the RDP faction said; "I do not know how some influential assemblymen feel, but in the case of the average assemblyman, his feeling will be, 'At a time when I was hoping to enjoy being a lawmaker, the hope has been snipped off.'"

Under these circumstances, the reaction to the real name system could not be favorable. A negative view is in the mainstream.

"I cannot understand why President Kim Yong-am has taken out his trump card, that is, the real name system, at this time. Some analysts say that he used the real name system as a trump card because his popularity, which exceeded 90 percent at some time, has begun to plummet recently." According to them, the president had to introduce the real name financial system as a trump card when things did not go as smoothly as they should while he was managing state affairs by using the card of audit and inspection. After all, the president has used up all his cards in six months. Some critics even say that the test of the governing ability of the Kim Yon-sam Administration has been completed. Some observers say that in the next election and beyond, the voters will of course not vote for former professional military officers, but never vote for former opposition politicians either. (DLP Assemblyman A)

"It was wrong to introduce the real name system at this time. We, too, promised to introduce that system in our campaign pledges. But this is not the right time. It will worsen the economic recession. We get the impression that there was an ulterior political consideration. In my personal opinion, the president introduced the real name system to minimize the effects of the defeat in the Taegu by-election and Former DP Chairman Kim Tae-chung's (13 August) lecture on the unification issue. President Kim Yong-sam has got the sore spot of politicians through the real name system and may be planning to manage state affairs on this basis." (DP assemblyman A)

However, not all assemblyman feel leery of the real name system. On the contrary, some assemblymen hail it with cheers. These are mainly former opposition members or young dissident-turned assemblymen. In their opinion, the days of old politicians when politicos played politics with money are gone, and in its place a new era of politics is dawning in which persons of ability and popular support will emerge.

"From now on, money will have less influence in politics. This is bound to bring about a considerable change in the power mechanism inside the party. True, in the past people who were capable but had no money had to put up with, as a fact of life, those who rose to high positions by playing political game with money. But from now on, when no one can buy votes with money, the situation will become much different from what it used to be. Opportunities will increase for those who have ability and who present visions to join the ranks of leadership." (DP assemblyman B)

"When the president declared that he would not receive any political fund, people did not make much of it. But that was a misjudgment because they could not read between the lines. During the first round of disclosure of 'public officials' properties, some thought they could get away with it by filing not such an accurate 'report,' but they were burned badly. In the second round, some made a sloppy disclosure believing that since we had it once, there would be not be any problem this time,' and were hit hard in the back of their heads by the real name system. Now that the cozy ties between politicians and businessmen have been broken by the introduction of the real name financial system, it has become possible to hasten the collapse of the old political structure. On the other hand, there is the possibility that up-and-coming politicians who have no money and have to make it up with hard work and their ability will conspicuously increase in number in the future." (DLP Assemblyman D)

According to some observers, in addition to young assemblymen from the ruling and opposition parties, leaders may emerge from among entrepreneur-turned assemblymen. A DLP assembly said, "The amount of the total properties disclosed by each of the so-called heavyweights is in the range between 2 and 3 billion won. Irrespective of the accuracy of these figures, these people will no longer be able to exercise their influence." "In my opinion," he added, "those politicians whose process of building their wealth is clear, that is, who have clean wealth, will have a relative advantage in the future." The question boils down to this: Who will, under the circumstances in which the whole political world is suffering from a dirge of political funds, have a greater feedback from the money spent, although the scale of the spending is smaller than before?

All kinds of rumors are rife in the political world, such as so an so have large bank accounts under false names. Some rumors hastily predict that in the wake of the shock created by the March property disclosure, a second shock will visit the political world. In addition, some rumors of doubtful origin say that there will be a restructuring of the political world. Amid these rumors, the air of the political world is simmering with heat.

"False names must be changed to real names in two months until 12 October. Many things that we did not even imagine will happen in this period. Some of the politicians whose concealed wealth is exposed will lose their political lives. During the March disclosure of properties, an elder statesman had to end his political career because of his hidden luxurious villas. One can roughly figure out what the consequences of the real name system will be." (DLP Assemblyman E) "The political world feels by the sixth sense that something big will happen, the fear that a quake may hit the political world in the form of a showdown not in the simple conceptual framework of the ruling party vs. opposition but in the framework of the progressive vs. the conservative. Eventually, President Kim will push ahead with his own method. From an economic point of view, the timing for the real name system was far from opportune. Yet he has introduced it with determination, and he will push it through. (DLP assemblyman F)

"I suspect this is a signal for a political showdown. The president may be planning to weed out 10 to 20 DLP assemblymen and hold big-scale by-elections in about November. My impression is that the Chongwadae has already completed the selection of the candidates. I think the DP also will pick out 20 persons or so to shake up the party." (DP Assemblyman C)

"It does not seem that President Kim introduced the real name system with lightening speed in order to take a grip on the Democratic Justice Party [DJP] faction. But as a consequence of this measure, assemblymen belonging to the DJP faction would no longer remain silent, but when they get together in twos or threes, secretly air their complaints. They feel that they are not sure whether they will get an official nomination from the party and there is no reason to stay put any more. This kind of reaction could develop into a rebellious mood to bolt the DLP. In fact, quite a few assemblyman feel that there is no reason they have to identify themselves with the DLP. As illustrated by the recent by-elections, an official nomination does not necessarily mean victory in the election. From now on by-elections will be burdensome to the president." (DLP Assemblyman G)

In the military a general with a Taegu-Kyongbuk [TK] tie submitted his resignation some time ago after openly voicing his complaints about the government. More recently, a DLP local chapter chairman a TK tie cast away his position as chapter chairman after airing his dissatisfaction with the party leadership. Some observers take these happenings as an ominous sign. One of the DLP heavyweight, however, predicted, "After this year is out, everyone will move around actively."

Needless to say, there is another view of the real name system. According to this view, the real name system has been a great shock, but with the passage of time, everyone will become accustomed to it and a new order come to hold.

"I do not think politicians will get an instant mortal blow because of their bank accounts under false names. I am positive that only two or three opposition assemblymen would be affected. It is reasonable to assume that DLP mid-level bosses have large accounts under false names. They will take measures. The measure that is conceivable at this moment is the use of proxies. People seem to think that it will be difficult to use such method in reality, but I think otherwise." (DP Assemblyman D)

"The real name system has been an issue since 1980's. Everybody knew that it would be put into effect sometime this year. There was the rumor in the securities market that the real name system would be introduced effective 1 July. Ruling party bosses probably had large false-name accounts but must have taken measures to avoid exposure." (DLP Assemblyman J)

"Even if they have complaints, it would be difficult to put up a head- on challenge because there is no justification. If they bolt the party, they would come under press scrutiny, and those in the power center wouldn't let them alone either. In my opinion, they will continue to lay low, for better or worse." (DLP Assemblyman K)

* DP Chair Yi Ki-taek's Political Goals

932C0220A Seoul SIN TONG-A in Korean Sep 93 pp 202-213

[Article by Reporter Hong Un-taek]

[Text] This summer has been a very sultry and difficult time for Chairman Yi Ki-taek because various events that took place in the summer made his mood swing between heaven and hell.

His mood was refreshing at the beginning of the summer because former Democratic Party [DP] Chairman Kim Tae-chung, upon returning from his overseas trip on 5 July, pledged his abiding support for his successor. Yi Ki-taek had a busy schedule: He attended a forum on 8 July at the invitation of the Kwanhun Club; delivered a speech on 20 July at a seminar for top business executives sponsored by the Federation of Korean Industries (FKI). Two days later, on 22 July, he delivered a speech at the invitation of the Tosan Academic Institute, and participated in a panel discussion on 28 July at the invitation of the Foreign Correspondent Club. These four activities outside the party gave him a chance to show that he is the head of the opposition party both in name and reality. On 16 July he reached an agreement with the United Peoples Party [UPP] Chairman Kim Tong-kil and New Korea Party [NKP] Chairman Yi Chong-chan on a three-party cooperation strategy for the 12 August by-election. In this way he consolidated his position both inside and outside the party. He exercised his authority as the chairman of the DP by far more extensively than any other member of the party Supreme Council under a collective leadership system.

While on a smooth cruise, Chairman Yi encountered his first trial in consequence of his 20 July "remarks in Cheju." In the FKI "management strategy seminar for top business executives" held in Sogwipo, Cheju, he created a stir when he said, "If Mr. Kim Tae-chung changes his mind and decides to run for the presidency, and if that is in the interest of the country, I will be ready to back him up without hesitation."

The stir was aroused because his remark implied that there is the possibility that former DP Chairman Kim, who has repeatedly declared his intention to stay away from politics, will resume his political activities. Judging from the context of his statement, he did not make his remark off the top of his head. Anyway that remark drew an unpleasant admonition from Kim Tae-chung and produced a considerable sensation.

During the question-and-answer session at the end of his 22 July speech at the Tosan Academic Institute, Yi Ki-taek was asked, "What do you make of the opinion in some quarters that Mr. Kim Tae-chung should return to politics?"—the same question raised on Cheju. He confided, "I am in hot water because my Cheju remark has been misconstrued."

The portion of his remarks that has become an issue is excerpted below, though somewhat lengthy.

"You should not call Mr. Kim Tae-chung 'DJ.' During his press conference that was held upon his return home from an overseas trip, somebody referred to the expression 'YS,' and Mr. Kim immediately asked back, 'Who is YS?' The expression DJ, being a political term, should not be used now that he has quit the political world. Everybody knows that he was not much behind President Kim Yong-sam in the last presidential election, and that his popularity has soared high all the more since he retired from politics. Some people argue that as politicians often lie, all he has to do is just call off his retirement and come out. But I trust his word, and I don't think he will engage in politics again. He has two distinct goals: One is to become a man who lays the groundwork for the era of unification, and the other is to strive for peace and democracy in Asia.

"But who knows what is in his inner mind? There is a saying that demons will laugh at you if you speak of tomorrow. Nevertheless we should trust his word. Judging from his personality, I don't think he will run for the next election. He proposed that he and the party compete with each other for the good of the country, he outside the political world and the party inside it. If as a result of the competition it becomes necessary for the good of the country for him to run for the presidency, I would back him up without hesitation. But it is possible that I will do better in the competition, isn't it? President Kim was the politician who made the fastest political progress than any other politicians since liberation. I myself am recording as fast a progress as President Kim did. I don't think Mr. Kim Tae-chung will decide to compete.... Anyhow I cannot give you a definite answer."

The reason this reporter excerpted the whole portion of his remarks at issue is that it has something to do with his present and future. The general purport of the statement boils down to two points—one is that "It is unlikely, but if Mr. Kim Tae-chung should run, I will be ready to back him up," and other is that "But I can do as well as anyone else." In other words his statement was intended for two purposes, namely, to be in former Chairman Kim Tae-chung's good grace and to highlight his own image of independence at the same time.

However, this two-edged stratagem invited anger from Tonggyo-tong [the Kim Tae-chung camp] and had an adverse effect on his relationship with former Chairman Kim Tae-chung. Yi Ki-taek was stunned by the angry reaction of the former chairman. As a result, his statement turned out to be a slip of the tongue that hurt his own image of independence.

However, according to the Yi Ki-taek camp's interpretation, the statement in question had the side effect of putting another brake to block former Kim Tae-chung from returning to politics. Needless to say, if the former chairman has no intention to return to politics, this claim is irrelevant.

Third-party observers who have watched the reaction of the two sides confirm two facts as the consequences of the controversial statement.

First, former Kim Tae-chung clearly expressed his intention to support Yi Ki-taek when he said upon his return from overseas, "We should give help so that the present leadership elected by the delegates can work properly." But Yi Ki-taek's remark proves that he is not sure of the support offered by Kim Tae-chung.

While Mr. Kim Tae-chung was staying in England, some DP assemblymen went there to see him. Leaving for England, one of them said to the press as follows:

"When I arrive there, I will try to ascertain whether or not he intends to resume his political activities, even if I have to resort to the magic of reading others' mind."

The question of whether or not former Kim Tae-chung will return to politics is a matter of everyone's immediate concern. But Yi Ki-taek, who aims at the next presidency, is a concerned party who has the greater interest in it than anybody else. Yi Ki-taek had an exclusive meeting with Kim Tae-chung in England. On 17 July, after Kim Tae-chung's return home, Yi Ki-taek had an opportunity to have another tete-a-tete with him. But what Yi Ki-taek said in Cheju shows that Kim Tae-chung did not assure him, "I trust you and I will not return to politics."

Another fact surfaced, the fact that former Kim Tae-chung showed a nervous reaction, although he could have overlooked Yi Ki-taek's Cheju statement by saying, "You shouldn't have said such superfluous things." Inasmuch as Kim Tae-chung made up his mind to divorce himself from politics, it would have been more natural if he had said he would not care what others say about him. But he complained to Yi Ki-taek's aide, "A presidential aspirant should not make an imprudent remark like that." To exaggerate a bit, his reaction gives the impression that his hidden intention has been laid bare by Yi Ki-taek.

At any rate Yi Ki-taek's Cheju statement and its ramifications confirm once again his present state of being completely independent on former Chairman Kim, as well as the linkage of his own future to the future course of his predecessor.

Yi Ki-taek banked on "the heart of Kim Tae-chung" in the proceedings of the last party convention. The forecast before the convention said he would win an easy victory by the first ballot in the election of the party chairmanship. But the results belied the prediction. He won over his opponent Kim Sang-hyon by the third ballot, with a margin of 347 votes by polling only 53 percent of the total votes cast.

This outcome was partly due to the effect of his opponent's strategy to minimize the influence of "the heart of Kim Tae-chung," combined with the phenomenon of delegates from the Honam area turning their backs on Yi Ki-taek. Nevertheless the election results patently brought to light the new party chairman's shaky position. At the same time, they also exposed the limit of his dependence on Kim Tae-chung.

Despite Mr. Kim Tae-chung's professed intention to stay away from the operation of the party, Yi Ki-taek said time and time again, "If he permits, I will call on him to consult with him on difficult problems." This clearly indicates that he wants to keep Kim Tae-chung on his side as his strong supporter.

Kim Tae-chung is said to be taking a wait-and-see attitude toward this stance of his successor. Said Mr. Kim's key aide, "Viewed from common sense, it is quite natural for former Chairman Kim to say that he supports Chairman Yi." This is to say that there is nothing new to the fact that Kim Tae-chung supports Yi Ki-taek, the head of the party elected by party delegates."

Said the same aide: "Inasmuch as any act harmful to the position of Chairman Yi will benefit nobody, former Chairman Kim will for the time being watch what Chairman Yi does, for better or worse." Asked how long is the time being, the aide replied, "one year is enough to judge his ability as party chairman, isn't it?"

The next party convention, slated for May 1995, is more than a year away. Therefore, what the aide said implies that it is an unknown quantity whether Kim Tae-chung will support Yi Ki-taek or someone else in the next party convention. Yi Ki-taek himself is aware of that.

Chairman Yi declared, "I have no choice but to identify the destiny of the party with my own future for the next two years."

The yardstick with which to measure the ability of Yi Ki-taek, who heads the major opposition party, cannot but be how much gain the DP will make in strength; and the gain will depend on how far the DP will be able to consolidate its hold as a party supported by the public. If the party gains strength under the Yi Ki-taek leadership, he will not only be able to maintain his position as party chairman, but the baton will be automatically handed over to him in the race for the next presidency.

In fact, critics say that since the last party convention, Yi Ki-taek has led the party relatively smoothly by banking on the DP victory in the Myongju-Yangyang by-election. In the selection of lower level party functionaries, party posts were evenly apportioned to all the members of the Supreme Council for distribution among their men. Yi Ki-taek did not demand a special consideration for his position as party chairman, but made a lot of concessions, and took only his proportional share, that is one-ninth of the number of positions with eight other council members.

The Supreme Council meeting proceeded smoothly thanks to his concessions. But the party as a whole suffered from an acute fever because those lower-level party functionaries who were left out in the cold in the personnel reshuffle in the party bureaucracy sieged the party headquarters building in protest. This made the summer very sultry for Chairman Yi.

Many in the party point out that Chairman Yi should not have been satisfied with taking his one-ninths share, but should have made a principled choice by going so far as to boldly abandon the portion apportioned to him. They argue that if he, as the head of the party, had refused the demand of other Supreme Council members for the apportionment of positions and had presented a principled alternative, such as a full-fledged open screening, then he would have been able to fill more than one-ninth of the party positions with his men and improve his image as party chairman at the same time.

The paralysis of the party functions due to the siege of the party headquarters building by those who were left out in the reshuffle of the party bureaucracy led to an acute distrust in Chairman Yi's leadership ability and party leadership as a whole. While identifying party management with his own political fate, however, Yi Ki-taek seems to a have narrow perspective of his role in the operation of the party. He said: "I'm agonizing much over the inefficient Tweedledum-and-Tweedledee collective leadership system. Should we fail to overcome the difficulties of the collective leadership system, it might result in splitting the party." In other words, he has lowered his sight and set his goal at such a low level that if he can succeed in preserving the present strength of the large opposition party (91 seats in the National Assembly)—the feat that no other opposition party has ever attained—he will consider that he shall have accomplished his role.

Yi Ki-taek reaffirmed his role as the defender of the large opposition party when he said, "Should the opposition party make a wrong move this time, we would be unable to rebuild the same kind of giant opposition party as we have now, and our party might disintegrate into many splinter parties." The DP consists of the Honam-based New Democratic Party [NDP] faction, the Yongnam-based DP faction, and reformist political groups of progressive persuasions; and as Yi Ki-taek points out, it is not easy to bind this mixture of heterogeneous and strongly centrifugal forces together and lead them as one. Party insiders say that no matter who heads the DP, it will be difficult to manage it better than now.

Yi Ki-taek is the type who does not show his hand in advance. In various party meetings, he only presides over them without actively expressing his own views. That is why meetings proceed discursively, and sometimes they last more than 10 hours at a stretch. This is diametrically different from former Chairman Kim Tae-chung's style. It is no exaggeration to say that former Kim Tae-chung used meetings merely as a procedure for pressing ahead with his predetermined policies. The duration of meetings seldom exceeded one hour. To press ideas forward, he would call up those who were against his ideas or send his aides to them at any odd time, early in the morning or late in the evening, to persuade them. To his close aides, he would give an advance instruction to speak in favor of his proposals.

On the contrary, Chairman Yi Ki-taek does no such thing as laying "the groundwork in advance." This is not to say that he has no idea of his own He makes his conclusion only after the participants in the meeting expresses their views fully. Usually, the meeting ends up with the same conclusion as he intended. But in some cases, the conclusion is not the same as he wants. He calls this process "democratic leadership."

Those assemblymen who assisted former Chairman Kim Tae-chung have stressed the importance of laying the groundwork to Chairman Yi, but to no avail.

During the 28 July joint conference of DP assemblymen and Party Affairs Committee members, Yi Ki-taek briefed on the background against which the party decided to shift its position on the by-elections from boycotting to participation. Explaining his idea of leadership, he said: "It is fitting for the present-day leadership to follow the opinion of the majority rather than try to carry through its opinion stubbornly, irrespective of the atmosphere of the party."

A brief examination of the history of the opposition party reveals that Yi Ki-taek's leadership style is similar to that of Yu Chin-san, former president of the then NDP. Yu Chin-san once presided over a Central Standing Committee meeting which continued in session for three days and four nights with the doors locked up. The only difference is that Yu Chin-san carried through his stand to the end.

In view of Yi Ki-taek's political style, it was a surprise that he strongly called for a boycott against the by-elections ahead of others. During the 26 July session of the Supreme Council meeting in which the party adopted its final stand, he said, "I will bet my political future on this option." As a result, the party took its stand in favor of boycotting the by-elections. But in the wake of the Asiana Airline jet crash, the party reversed itself and decided to participate in the elections.

Some party insiders criticized the chairman's strong call for an election boycott as a ploy to avoid the responsibility for the nomination of the party's candidates. In the case of the Taegu East-B electoral district, he insisted on nominating An Tae-su, a figure not well known, pushing aside So Hun, former chairman of the United Peoples Party [UPP] Taegu East-B chapter, out of his personal grudge against him. That is why, detractors say, the party chairman called for boycotting the election for fear that he might be held responsible for picking the wrong candidate in case An should lose the election.

However, it seems more reasonable to view this flip-flop as a happening that occurred in the process of changing Chairman Yi Ki-taek's political style. Some observers say that his initial insistence on boycotting the by-elections stemmed from an attempt to change his image as an inarticulate politician, as well as from his desire to take the initiative in the political arena as the leader of the opposition party.

According to these observers, he may have acted for the principle that the opposition party should no longer be pushed around by the government party; and in a more narrower sense, he may have been motivated by the determination that he, the head of the opposition party, shall not tag after the Kim Yong-sam Administration.

At that time he was busy establishing his image as the head of the opposition party, delivering a speech to the Kwanhun Club Forum and FKI seminar for top business executives, and participating in various other events sponsored by outside organizations. A comparison between the way the government or the press reacts when DP Chairman Yi makes some "important decision" and the way the government or the press reacted when Kim Tae-chung or Kim Yong-sam announced a similar decision when they were the leaders of opposition parties, gives us a hint as to what Chairman Yi is driving at. He wants to attain such a leadership position both in name and reality that the political situation evolves as he wishes.

Tracing back his political career, we find only one instance in which he made this kind of attempt. When the April 1987 measure was announced to preserve the constitution as it was, he went on hunger strike alone for 15 days demanding the rescission of that measure. But he became a political orphan as a result of his lone struggle.

That was the time when two Kims [Kim Yong-sam and Kim Tae-chung] were maneuvering to split the NDP headed by Yi Min-u and create the Reunification Democratic Party [RDP]. Refusing to follow the two Kims, Yi Ki-taek staged the hunger strike, determined to bolt the NDP and stand alone as an independent. Subsequently, in the wake of the June popular resistance [1987] and the ensuing 29 June Declaration, the constitution was revised to provide for the election of president by direct vote and the two Kims parted company, setting the stage for a full-fledged scramble for the presidential race. In retrospect Chairman Yi Ki-taek says, "I couldn't be more resentful than I was at that time." He expressed the sense of shame he felt in those days in these words: "I was in the opposition throughout my whole life fighting for democracy in our country. But when a peaceful government changeover was on the horizon, I could play no role at all."

However, from a detached analysis of his resentment, we may say that his frustration stemmed from the fact that he was born after the two Kims. There was no room for him to stake out his independent position when the strong magnetic powers of the two Kims polarized the political world into two.

To put it more correctly, we may say that his tragedy lies in the fact that he shares the same regional base with President Kim Yong-sam rather than in the fact that he stands in the shades of the two Kims.

When Kim Sang-hyon, a proxy for Kim Yong-sam and Kim Tae-chung, organized the Council for the Promotion of Democracy [Minchuhyop], Yi Ki-taek did not join it. Judging from the prevailing atmosphere in those days, joining the Minchuhyop was hardly a general trend because most of the former National Assembly members who were freed from the political ban did not join it.

However, an examination of the reason why he did not join gives us a glimpse of some aspect of his personality.

"Showing me an application form one day without any advance notice, Mr. Kim Yong-sam urged me to sign it. But I spurned his solicitation and refused to sign." He added, "I could not follow him because of my sense of pride, even if I wanted to."

We should make a cool judgment on his motive, aside from his own explanation. This is because we can hardly presume that he was trying to attain his political independence simply by refusing to follow the two Kims. Only when an effort to be independent of the two Kims was coupled with a correct political line fitted to the prevailing political situation in those days would it be possible for him to be recognized as an independent-minded politician.

Anyhow his association with the non-Minchuhyop force did not become a major blemish because he subsequently played a midwife's role in merging Minchuhyop and non-Minchuhyop forces and eventually founding the NDP.

He has established quite a record: the youngest member in the Seventh National Assembly at the age of 29; the youngest secretary general of the opposition party at the age of 39; and a vice president of the opposition party at the age of 42. Early on he organized his own group. He chose a different road from other politicians in his age group, such as Choe Hong-u, former secretary general of the Democratic Liberal Party [DLP]; Kim Tong-yong, former vice president of the RDP; Sin Sang-u, chairman of the National Assembly Defense Committee; and So Sok-chae, former National Assembly member, all of whom joined the Kim Yong-sam faction and have gained in political strength working as bosses in that faction.

Once he was under Sin To-hwan, NDP Supreme Council member. He parted company with Sin and organized his own faction called "the Research Council for Democratic Thought in 1979. He caused a sensation when he ran for the election of party president at the 30 May 1979 NDP convention and polled 92 votes, more than Supreme Council member Sin's 87 votes. He caused a similar sensation in the 1985 election of the NDP president, demonstrating his potential.

Many say that Yi Ki-taek was "lucky" to become the DP chairman. But nobody denies that his own independent organization, although the size of a hole-in-the-wall store, was very helpful in becoming the DP president. Figuratively speaking, however, he was only the "president of a small firm" and had no choice but to care about how the president of "conglomerates" was doing. That is why he earned his sarcastic nickname, "master tightrope walker."

During the 8 July Kwanhun forum, a panelist asked Yi Ki-taek, "You have climbed up the ladder one step each time you made a political image change, haven't you?" The panelists pointed out: that when Kim Yong-sam and Yi Chol-sung competed against each other over the party chairmanship in 1976, Yi Ki-taek joined Yi Chol-song's nonmainstream alliance through Sin To-hwan, and thanks to his role in that election, became the party secretary general; that he became the vice president of the party in 1979 by supporting Kim Yong-sam; and that he joined forces with Kim Tae-chung in 1991 and became a cochairman of the DP.

By a coincidence of fate, Yi Ki-taek once joined hands with each of the three standard-bearers in their forties who competed with each other in the race for the nomination of the NDP presidential candidate in 1970; and each time he joined hands with each of them, he climbed up one step. His explanation of this fact indicates that two opposing interpretations are possible on the same fact.

Said Yi Ki-taek: "I have a free hand in my activity because I belong to no faction. The standard I use in making my choice is, whether or not one is walking the most appropriate road at a given time. During the 1976 party convention, there were doubts about the summit meeting between then President Pak Chong-hui and NDP President Kim Yong-sam; and there was a strong sentiment of caution against party President Kim's autocratic party management. That's why I was on the side of the nonmainstream. But because there were signs that Yi Chol-sung, who took over the party leadership, began to collude with the Yusin forces by calling for the union of the middle-of-the-road forces, I came out to throw my support behind Kim Yong-sam in his call for a clear opposition stand against the powers that be. In those days the government threatened to deprive me of my National Assembly seat by using the pending Election Law violation charges against me as an excuse. Taegwang Industries, whose chairman was my brother-in-law, was subject to an unprecedentedly drawn out tax audit. But I did not succumb to all these pressures. I did not support candidate Kim because I had an eye for the post of vice president. My decision to support him was a difficult choice I made with the spirit of self-sacrifice. I joined hands with former DP President Kim Tae-chung in realizing an opposition merger, with the hope of combating ruinous regionalism and organizing a powerful opposition party against the DLP, a giant ruling party formed through a three-party merger. I had to be ready to lose Pusan as my regional base for this cause."

However, when Yi Ki-taek makes an "agonizing decision" it tends to be late in coming and makes others get tired of waiting. During the 30 May 1979 party convention, he raised his hand in favor of candidate Kim Yong-sam at the last moment; and he even visited the Chongwadae before he refused to join in the three-party merger. The merger plan for the opposition parties was barely put into effect after it was on the brink of miscarriage. He explains his delaying tactic with these words: "It was not that I made decisions belatedly; but that is part of my formidable strategy designed to prevent obstructionist maneuvering that early decision-making would invariably encounter."

Anyway he was in such a position that he did not take the lead in the political arena, but followed the lead of others. In other words, he was in a position that required him to be always cautious in making his decisions. The question of why he looks like a "fuzzy politician" may be explained by these two reasons: First, from early on he led a small faction of his own; second, he was always in the process of choosing between the different political lines of the influential politicians.

However, he is now confronted with constant temptation to charge forward boldly, casting aside the peculiar perseverance and prudence that he has cultivated in his unique political adversities. It seems that now he has the ability to charge forward as the head of the principal opposition party.

The strong stand for a boycott against the by-elections may be understood from this background, and it sheds light to the possibility of change in his political style.

It seems that Chairman Yi's strategy as a potential candidate for the next presidential election is, internally, to operate the party smoothly, and externally, to firmly establish his image as the head of his party.

The following three figures may be mentioned as the key staff officers in pushing ahead with that strategy: Secretary Mun Hui-sang, his senior secretary who belongs to the Tonggyo-tong inner circle and a proponent of the doctrine that calls for consolidating Chairman Yi's position; party Spokesman Pak Chi-won; and Kim Yong-su, DP assistant floor director of planning, who formerly belonged to the faction led by Kim Chong-kil, former member of the party Supreme Council.

The trio arranged four panel discussions and lecture meetings in July for Chairman Yi Ki-taek so that he could prove himself as a full-fledged political leader. Meanwhile, they also pushed forward with the plan to expand the chairman's secretariat into an organization comparable in scope to Kim Tae-chung's secretariat when Mr. Kim was a candidate for the last presidential election. In late August they also pressed ahead with a plan to arrange on-the-spot field trips for the party chairman so that he might meet persons belonging to the alienated classes, as well as workers. These efforts, however, suffered political damage as a consequence of the shifting in the party position on the by-elections from boycotting to participating, and were paled by the siege of the party headquarters by those who were left out in the reshuffle of the party bureaucracy.

Chairman Yi was enraged by the fact that the press reported the plan for reorganizing his secretariat two days ahead of the schedule date of announcement. He made a very nervous reaction by firing his secretary in charge of documents holding him responsible for his failure to keep secrecy.

Obviously, Yi Ki-taek's dream is to become the president. In his keynote speech at the 8 July Kwanhun Club forum, he indirectly expressed his desire to run for the next presidential election when he said, "If I continue to work hard to become a clean and honest politician, I may be able to become a presidential contender in five years from now."

Asked, "Who do you think will be your greatest opponent in the course of becoming a presidential candidate?" he answered," "This is a hasty question." He said, "I cannot even stand straight by my own strength, and how can you expect me to answer that kind of question?"

He has many bottlenecks to overcome until he becomes a presidential contender. One of his intimates says, "The preliminary election will be more difficult than the presidential election itself." This is to say that it is more difficult for Chairman Yi to win the nomination in the DP nomination convention than win the presidential election. To put it in another way, it could mean that once he passes the preliminary election, he will have a chance to win the presidential election.

The Yi Ki-taek camp presents the logic of "addition and combination." According to this logic, when the number of the votes cast for him, although not so many, is added to the 8 million votes cast for former Chairman Kim Tae-chung, he could easily put himself within the range of victory in the next presidential election. Particularly, Yi Ki-taek will be able to absorb a considerable number of votes from those voters who preferred the opposition party but did not vote for Kim Tae-chung because of their feelings against him.

Yi Ki-taek intimates cite the Myongju-Yangyang by-election as the case in point. They argue that if Kim Tae-chung had remained as party chairman, the DP candidate would have had no chance to win in Kangwon Province, in which many people have aversion to Mr. Kim.

Chairman Yi does not enjoy enthusiastic support in any particular region, but there are no particular adverse feelings against him either. Therefore, his intimates argue that he is the right person who can combine the votes in the Honam area, where former Chairman Kim Tae-chung exercise his charisma, with the votes for the opposition party in the non-Honam areas.

Some are of the opinion that support for Chairman Yi has dropped in Pusan because he refused to follow President Kim Yong-sam, but he will be able to recover part of his lost potential votes if President Kim does not nominate a native of Pusan.

Recently, efforts have been stepped up to drive home that Chairman Yi is a native of the Kyongbuk area, pointing out that he was born in Yongil County, North

Kyongsang Province. Critics say that this drive is based on a strategy to change his turf. He is contemplating ways to stake out his new position as an alternative to the Taegu-Kyongbuk [TK] force, which has been rapidly on the downward slide recently.

Frankly speaking, Yi Ki-taek hopes that the support of Taegwang Industries, run by his brother in law, will give him some measure of strength that cannot be ignored. Taegwang Industries is a financially very solid firm with a reserve capital of 50 billion won. Hungkuk Insurance, its subsidiary, has a network of 200 branches throughout the country. Yi Ki-taek intimates do not expect Chairman Yi to be able tc use these companies in the same manner as Chong Chu-yong mobilized the Hyundai group in the last presidential election. But they do expect to get some kind of support from them.

They also hope that the association of members of the Yongchon branch of the Yi clan, although not so large a group, as well as the alumni groups of Pusan Commercial High School and Koryo University, will be of added help.

All these factors give rise to the argument that no one will be more suitable than Yi Ki-taek as the standard-bearer of the opposition party in the next presidential election. Some people in the Tonggyo-tong circle are persuaded of the Yi Ki-taek camp's argument based on the assumption that "there is no other alternative," but this has yet to be tested in the party for its validity.

Assemblymen Kim Sang-hyon and Chong Tae-chol, and others belonging to the nonmainstream has kept their silence ever since the last party convention. Assemblyman Yi Chol alone challenged Chairman Yi head-on in July by making an issue of the question how the former Democratic Party spent the government subsidy.

The nonmainstream group is collecting materials which will justify its attempt to deal a decisive blow to Yi Ki-taek's leadership capability, facts such as: That the DP has been accused of being not a reform-minded party as a result of the disclosure of the properties of high-ranking party officials in April; that the party failed to nominate its candidate for the Kwangmyong by-election; that there has been a severe after-effect of the dividing up of party administrative posts among the Supreme Council members.

Some in the nonmainstream group is demanding that an extraordinary party convention be convened forthwith without waiting for the next regular party convention, to replace the present leadership. However, on the whole there is no hasty mood because of the fear that if the mainstream and nonmainstream should be at loggerheads with each other at a time when the Kim Yong-sam Administration is taking the lead in the political arena with a strong thrusting power, it would give the public the impression that the DP is courting self-destruction in front of the enemy.

Although the nonmainstream is exercising self-restraint now, its counterattack may come sooner than expected. The anti-nonmainstream attitude that Chairman Yi has continually shown in party management since the last party convention could trigger a counterattack.

Chairman Yi gives the impression that he is more interested in external activities, such as efforts to realize mutual help among the three opposition parties and to take part in panel discussions. This impression stems from his desire to clearly establish his position as the head of the party while sharing the roles with the eight Supreme Council members in dealing with complex internal problems of the party.

However, his attention is bound to revert to internal affairs of the party because the clearer his position as the head of the party becomes, the more the party's problems will become his problems.

Only when he unravels the tangled skein of conflicting interests inside his party through active mediation will he be able to hope that such efforts will lead to a chorus of "Yi Ki-taek for our leader!."

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* Hyundai's Political Troubles Impact Economy

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[By reporter Chang Yun-yong]

[Text] When will the two sides locked in an ill-destined relationship make it up? A half year after the new government set sail, tension still reigns between it and the Hyundai Group.

We now hear some sympathetic voices calling for the new government's "pardon" for the Group which has been treading "the prophesied thorny path." Meanwhile, Chong Chu-yong, 78, the Group's honorary chairman and the person who had brought on the karma between Hyundai and the new government, continues to keep a "low profile to show penitence."

We also hear voices that business leaders should no longer be made a scapegoat at times of political change for whatever reasons. Nevertheless, a solution based on the "time is the healer" philosophy appears to be premature in this case. Rather, the present situation appears to be that whenever a rare opportunity for reconciliation arrives, an unexpected thing breaks out to make a solution even more difficult.

Chong Chu-yong, the "King Chairman," once devoted himself to his presidential bid and, in that process, took on Kim Yong-sam [YS] as his political foe; the Hyundai Group, upholding the King Chairman, waged a maximum campaign against the ruling party. And the crushing defeat came and they were all quick to find their way of responding to it. For survival, they had to fall prostrate so low that they even looked subservient.

To please the new government's whim, they demonstrated their willingness to participate in its New Economy program. They had to find, however, that the "old resentment" was simply too deep-rooted to expect a quick pardon.

There were at least two things that added to the tension of the already strained relationship. One was a series of moves Chong Chu-yong [CY] made to return to the first line of management. Needless to say, there were no official comments from Chongwadae on the moves. As a matter of fact, however, since the start of the new government, those who had either defied YS or fell out of favor with him during the campaign one way or another disappeared from the stage one after another. Among them were Pak Tae-chun, Pak Chol-on, Kim Chong-in, Cho Sun, Kim Yong-hwan.... Chong Chu-yong was virtually the only person left and it was generally accepted that the present government viewed his return to the first-line management as undesirable.

Persuasive enough is the hypothesis that if the King Chairman had declared complete retirement from business, the ties between the new government and Hyundai could have normalized with less difficulty. It could be but Chongwadae's one-sided "wish," however, because separating the King Chairman from the Hyundai Group is actually not so easy as separating Pak Tae-chun from Pohang Iron & Steel Co.

Another thing that further entangled the relationship between the two was the labor-management disputes in the Ulsan area that briefly paralyzed the nation's economy. From the standpoint of the present government, the disputes worked as a "trap" fettering its New Economy program. Hyundai, which had fallen out of favor with YS during the presidential campaign, this time incurred his displeasure with the labor disputes. A rare chance of reconciliation that had arrived thus faded, while the misunderstanding deepened in connection with the handling of the disputes and over CY's China visit, adding to the residue of hard feeling.

"Hyundai is in a crisis." Some depict the Group's plight that way at a time when rumors of a sanction against it are widely circulating. Is it really so?

Also prevailing is the view that there will be a breakthrough for reconciliation sooner or later. It is based on the observation that the most important task facing the new government is the success of the New Economy program, and that the government itself sees the "reconciliation" with Hyundai as necessary for that end whatever form it might take.

For a prognosis on the Hyundai case amid such conflicting perceptions, it is necessary to review the path Hyundai and the King Chairman have taken since the presidential election. Also necessary is an analysis of various inside factors affecting Hyundai's future.

Everything Chong Chu-yong does has been a news, to less prominent degrees, however, compared with the time when he was a star (?) as a presidential candidate. Following the election defeat late last year, he lived in seclusion for a while. The defeat must have been a shocking experience for him because he had been confident of victory or at least a closer match.

First of all, he had to explore ways for survival. He probably knew better than anybody else of the dark clouds hovering over him and Hyundai, which is part of himself, now that YS whom he had mercilessly picked on in the campaign emerged as the winner.

On 22 February, he declared his retirement from politics, saying he would return to the first-line management. He told aides to move his office to the honorary chairman's room on the 12th floor of the Hyundai Group building in Kye-tong, Seoul and to close down the office he had maintained in the United People's Party [UPP] building in Kwanghwamun.

His 22 February resignation from the legislature clearly demonstrated his resolve to get out of politics. At the time, business communities and media generally reacted with sympathy to the "comeback of the Chairman King." Even those critical of his foray into the political world approved of his homecoming message.

But the new government had something else in mind. The enmity built up during the campaign was apparently not going to disappear so readily. The general observation is that while unable to show it outwardly, it inwardly wished that the King Chairman would take the opportunity and retire completely from business as well as politics.

What is YS' view of CY? The question perhaps relates to the core of feud between the new government and Hyundai.

According to a YS camp aide, YS had had no ill feelings toward CY until the campaign began heating up, that is, through the summer of last year at least. When CY was denouncing the two Kims [YS and Kim Tae-chung] in the same breath, YS thought that he could not really mean it. Circulating at the time were such plausible rumors that the Democratic Liberal Party [DLP] and UPP would form an alliance in the final phase of the campaigns, and that CY had given YS a certain pledge to that effect.

As time passed by, however, it became increasingly clear that CY would not abandon his presidential bid after all. His campaign of calumny and "blunt speech" continued to escalate, and, according to the aide, YS—who had shown no particular concern even when the charges reached fairly serious levels—was enraged eventually and said that "now I know he is a bad man." All this happened in the midst of the campaign when YS was shouting himself hoarse that "no one should try to buy power with money." It was at that time, the aide says, that YS made an "important decision in his mind" about CY.

YS has emphasized at every opportunity since his inauguration that "I will receive not a single cent of political contribution from businesses," that "I will cut the collusive links between politics and economics," or that "one should not try to gain both honor and wealth but choose between them." For all signs, he appeared to be firmly determined to stem the "wrong trend" of business leaders challenging to political power.

The King Chairman surely knew what was coming. So, he bid farewell to politics and even went so far as to sever his ties with the United Peoples Party [UPP] which he had founded. Nonetheless, there was no kind signal in the air, so CY kept his profile even lower.

At a press conference in early March in Tokyo, he said, in effect, that "it was really good that Mr. Kim Yong-sam was elected the president. If I had been elected, it could have been a disaster to the country." Thus, he took back what he had said a few months earlier. Some media, strongly criticizing the remark, decried it as a "display of a mercenary spirit." More appropriately, it unveiled the King Chairman's hard-pressed sentiment.

At the Tokyo press conference, he made an even more shocking remark that "I will dissolve the Hyundai Group." It was a conciliatory gesture toward Chongwadae rather than an expression of his true intent.

At the time, Hyundai officials reportedly took the full text of the "Tokyo press conference" to Chongwadae and made detailed explanations to presidential aides. Chongwadae kept mum, showing no response, however.

The King Chairman, coming home from Japan, declared his return to the post of honorary chairman on 9 March, showing himself at the Hyundai building from 11 March. For a while after his return, he seemed to be trying to regain his former self. He daily came to work, personally presided over the meeting of the board of company presidents and exercised overall management control over the companies again.

But things got entangled. It all began when his remarks at a 15 March meeting of the board of company presidents were reported in detail in a newspaper (KYONGHYANG SINMUN dated 20 March).

"... It looks like things did not go well while I was away.... I am going to make it a rule that company presidents will check the monthly achievements against the preannounced targets and report the results at the board meeting.... There will be a small-scale personnel reshuffle, maybe tomorrow.... You should have more company ads installed along freeways.... What did you do with my instructions on building a business center at Vladivostok?...."

The King Chairman returned precisely to where he had been, a fact the leaders of the new government reportedly did not welcome. They were already cynical about his return itself and now they saw him presiding over the board meeting and exercising the right of personnel management. One could imagine their reactions to his "complete comeback" like that.

It was then that he began taking a "low posture showing penitence." He "abruptly" left for Kangnung on 20 March and had a quiet time there for about 10 days before returning to Seoul. He has since made no appearance in any events at all, internal or external, staying away from the board meeting, too.

His conduct inside and outside the corporation was viewed as an exercise of "prudence." Officials of the Group were reluctant to comment on how the King Chairman was getting along. They were guided by a realistic judgement that it would be better if the outside world, Chongwadae in particular, sees him as being more prudent.

He left on a visit to Los Angeles and Japan on 18 April, returning home on 22 April. It was more a vacation in nature than a business trip. For a while after that, he managed to put himself out of the eyes of mass media.

Rumors widely circulating then had it that he uncharacteristically lost his ambition while living in seclusion in part voluntarily and in part involuntarily. Some observed that for him, who by nature cannot do without challenging to new things, "retirement" meant imprisonment.

It was said that the King Chairman was particularly unpleasant over the legal problems that remained resolved. He was charged with violations of the Presidential Election Law and was to report to the court whenever authorities summoned him.

According to those close to him, he was extremely fretful of the court proceedings pending simultaneously in the cases in which he was a defendant, including the Hyundai Heavy Industries Co. secret fund case. In fact, the prosecution, while pushing their cases against him, has shown its confidence that it "can bring the cases to conclusion at any time and in either way depending on how the president will make up his mind." This has been an Achilles' heel for him and the Hyundai Group.

The labor-management disputes in the Ulsan area broke out while he kept himself in seclusion. The disputes, originating in Hyundai Precision & Industry Co., kept spreading against the initial forecast that they would soon be resolved.

The King Chairman had ostensibly handed the Group's management to his younger brother, Chairman Chong Se-yong, 65. Now it was a matter of concern for everyone around if he would come to the fore to lead the effort to resolve the disputes or keep silence. In other words, he was in a dilemma himself.

On 6 July, when the disputes were at their height at affiliated firms, he left for China in a business trip. The China visit appeared to be an effort to "emphasize" his distancing himself from the Group's management.

His "sudden" departure sparked a great deal of rumors again, including such plausible one that the Hyundai General Association of Trade Unions, leading the unionists in the disputes, demanded in a behind-the-scenes session that the management be represented by Honorary Chairman Chong Chu-yong instead of Chairman Chong se-yong.

In this case, if Honorary Chairman Chong had come to the fore, and if his leadership thus had paved the way for a settlement, it could have led to a delicate situation in which the government would have been compelled to recognize his charismatic influence—and his return to the first-line management as well. Rumors that kept circulating had it that Hyundai officials—considering the government's delicate position, and in rapport with it—hastily arranged his China trip.

In fact, there were signs that the situation could have improved if it had not been for that negative factor, the outbreak of the labor disputes. The show of penitence by the King Chairman and the effort by the Group for participation in the New Economy program were said to have prompted Chongwadae officials to feel that "maybe the time has come to take Hyundai off the fetters." At the time, the new government, while winding up the New Economy 100-Day Plan, was fretful of the delay in the recovery of the investment mood among big businesses. At the same time, it was apprehensively concerned that investigations launched by audit and inspection authorities under the banner of reform were having a withering effect on business activities.

The general observation was that under the circumstances, if the government had taken the initiative to normalize its relationship with Hyundai—which was a symbol of the feud between politics and economics in the latter half of the Sixth Republic era—it could have had an enormous and pervasive psychological impact on business communities in general. The King Chairman's China trip came at a time like that and some saw it as a good opportunity for a turning point in the situation.

However, the Hyundai labor disputes went from bad to worse, even threatening success of the New Economy program and forcing the government to invoke the emergency arbitration right, an action not befitting to a civilian government. At this point, the karma came into play once more between the new government and the King Chairman.

The King Chairman returned from the two-week China visit in high spirits on 21 July, the next day the government invoked the emergency right. His arrival on the scene at a time when the government was having a headache because of the Hyundai labor disputes, plus his airport comment to the press caused further deteriorations in the relationship. Following is part of the airport press interview:

—Would you comment on prospects for receiving the Yellow River-Louyang dam project order?

[Chong Chu-yong] "Based on a combined working-level assessment, I am confident that we can get the order. I plan to visit China again prior to the 31 August bidding. In the No Tae-u government era, although we were the successful bidder for a $800 million bridge construction project in Hong Kong, we had to yield it to another firm because the government refused to certify payment. I believe that the new government will help us better."

—Is your problem of a strained relationship with the government resolved now? Was there any prior consultations with Chongwadae over your return to the first-line management?....

[Chong] "It is true that I have been exercising self-restraint in my conduct. In the future, I will be more active in the overseas investment area, in China in particular. I plan to sharply increase Hyundai's investment scale and more than double its present exports. I have felt nothing uncomfortable in my relationship with the government. I don't think that the government will oppose business efforts to expand production on a progressive scale. I have never discussed my return to management with Chongwadae."

—Why do you think those labor-management disputes are concentrated on the Hyundai Group?

[Chong] "Only Hyundai has that many workers of impetuous temper. I see it as inevitable in terms of profession and locality. There are as many as 20,000 workers in Hyundai Electronics in Ichon but they have never gone on strike. Chairman Chong Se-yong is doing a good job, so I have no plan to step in myself for a settlement."

In the interview, he made it clear that regarding overall domestic management, he will just provide advice and suggestions as requested by Chairman Chong Se-yong and that he himself will take a more active role in the overseas investment and new projects areas. And the remark was interpreted as expressing his will for return—limited though—to the first-line management. He also said that his wish is to stay with management of, say, dispute-free Hyundai Electronics until he gets to his 100th birthday and spend the next 30 years or so traveling around the world.

Whatever one says is bound to be taken differently by different persons. Media reported Chong's remarks in the interview as meaning that "I am returning to the first line of management, ceasing to keep a low profile." And the reports got to Chongwadae where officials were tormented by the task of clearing the aftermath of the Hyundai labor disputes, thinking that the forced exercise of the emergency right messed up the new government's policy style. And the Chong Chu-yong interview apparently rubbed them the wrong way.

"... traveling overseas instead of trying to embrace workers and shed tears with them and work with them to find a settlement.... Mr. Chong Chu-yong is no good to be a business leader. He says, for instance, that workers do not wake up until their strike ruins their factory and become jobless and hungry. He just cannot say anything better...."

This was part of the criticism against Chong Chu-yong voiced at a ranking officials meeting at Chongwadae on 22 July, the next day of Chong's controversial press interview. What was being said in and around Chongwadae was that while officials there were put to a "thankless job" because of the Hyundai troubles, Chong himself was doing nothing but rubbing them against the grain.

It was about that time when rumors began spreading that "a certain measure" is under study by senior presidential secretaries. They claimed that it could mean a special tax auditing, separation of Hyundai Motor Co. from the Group under an industrial specialization program, or an early conclusion of Chong's trial in the election law violation case.

Ranking Chongwadae officials brushed them off as unfounded. The Hyundai Group side also said that it had investigated the rumors through its channels and found that the reported reference to a certain measure was nothing more than part of a "casual conversation." At any rate, the prevailing observation is that the King Chairman's China visit and his subsequent press interview, which was the first one in a long time, only backfired.

On 23 July, the third day of his return home, he was suddenly hospitalized in the Seoul Central Hospital. He had a cold and went to the hospital for a close examination; as a result, his physician told him that he had signs of the instability stricture of the heart and cerebral apoplexy and needed medical care for a considerably long period of time. His unexpected hospitalization prompted sympathetic observations that it perhaps was caused by mental devastations he had suffered since his defeat in the presidential election. At the same time, however, some suspected that he was trying to dodge the visible and invisible pressures mounting in connection with the court hearings scheduled for 26 July, three days later.

He was released from the hospital eight days later on 31 July. Persuasive was the view that the hospitalization was part of his crisis management tactic rather than the result of a genuine illness; nevertheless, the saga of the "old man" in a "hide-and-seek" game with the new government was enough to evoke sympathy of the public.

He appeared to keep a low profile again for a while, then left for Ulsan in early August. The Hyundai Group only said that he would make a brief visit to Ulsan to attend ceremonies marking the completion of a plant, then spend a day in Kyongju before returning to Seoul. However, the visit drew attention as it came at a time when the labor disputes at Hyundai Heavy Industries and Hyundai Electrical Engineering had not yet been settled. The King Chairman attended a meeting of the board of company presidents in Ulsan, urging an early settlement of the disputes. On 12 August, following his Ulsan visit, the dispute at Hyundai Electrical Engineering reached a settlement, while negotiations at Hyundai Heavy Industries also made a breakthrough toward a settlement. The development underscored the fact that the Kim Chairman's influence over Hyundai companies was still very much alive.

Steep and rugged indeed was the path trod by the King Chairman since the start of the new government. The Hyundai Group, which is part of himself, also had to tread a path as steep and rugged.

"The feeling is as if we were being punished by the teacher and were kept standing in a corner of the classroom while other kids are all in their seats studying the New Economy."

Sim Hyon-yong made this comment to reporters in early May shortly after he became the chief of the Office of General Planning, with a touch of bitterness in the tone. The self-contemptuous remark pointedly reflects the sense of alienation, lethargy and frustration being felt by the Hyundai Group.

In fact, Hyundai was covered with wounds all over when the new government set sail. For more than a year, it had served as a protection and bulwark for the King Chairman in his stormy political campaign. The result was all in the red in terms of loss and gain.

His presidential bid plunged Hyundai into a sea of troubles, including more than 100 legal cases filed against it. Among them were the frictions with the Office of Bank Supervision and Examination and the Securities Supervisory Board, the confrontation over the reimbursement of temporary allowances, the Hyundai Electronics fund diversion case, the Hyundai Merchant Marine Co. tax evasion case, the Hyundai Heavy Industries secret fund misappropriation case, and the judicial settlement en bloc over the illegal use of company employees in the campaign. Nonetheless, toward the end of the campaign, as many as 160,000 employees—more than 90% of the total number of Hyundai employees—were devoted to the campaign as UPP members.

Hyundai wasted an enormous amount of money in the election, let alone the post-election lethargy and organizational collapse. The money spent as campaign fund amounted roughly to hundreds of billions of won. Hyundai Heavy Industries, known to have made a net profit amounting to more than 300 billion won before the campaign, was the main fund supplier; nonetheless, the aftermath of the campaign sent most of the affiliated companies staggering.

Another thing painful to Hyundai was that the campaigns made "criminals" of many of its employees. The general election saw five Hyundai officials, including Chong Mong-hon, vice chairman of Hyundai Merchant Marine Co., taken into custody and another five indicted without physical detention; in connection with the presidential election campaign, a total of 108 employees came under judicial action. Thus covered with wounds all over, Hyundai had to watch the inauguration gala of the new government from afar.

Punishment and reprisal appeared to be inevitable. It was necessary for Hyundai to keep itself as low as possible to dodge the barrage of bullets that could come at any time and from any direction. Meanwhile, the new government flew the reform banner high, and business communities, conglomerates [chaebol] in particular, began sensing the dagger of audit and inspection thrust under their nose. Upon discovering that the new government's view of it was after all nothing but critical, Hyundai struggled to get out of the center of the cold wave of audit and inspection.

Its "journey" of one-sided love toward Chongwadae began with its positive response to the New Economy 100-Day Plan. Hyundai was the first to show its willingness to take part in the drive, in the form of rallies. The "unexpected" remark by the King Chairman at his Tokyo press conference that he might dissolve the Group was also made in that context.

Ahead of other groups, Hyundai took the separation/merger step on affiliated companies on 22 May. It was a conciliatory gesture positively responding to the new government's push for "separation of ownership and management" and "industrial specialization."

Hyundai's moves were virtually a one-sided ogle, however. Efforts were made to know Chongwadae's reactions through various routes. There was no affirmative signal, however.

On the occasion of the Veterans Day in late May, Hyundai, through the Agency for Patriots and Veterans Affairs, sounded Chongwadae on an offer to contribute 2 billion won to a fund-raising drive managed by a certain daily. Chongwadae turned it down. That was all right but the trouble came when it was leaked to media. Hyundai was alone left in an embarrassing position.

Chairman Chong Se-yong, now in charge of the Group management, also bestirred himself but the result was never satisfactory. He met YS three times since the presidential election but were unable to make any of the occasions a turning point in the situation, it is said.

Hyundai's other hidden pain was that its pure economic activities suffered the consequences of the strained relationship with the government, withering inevitably. It is the general feeling in the group that Hyundai has been under invisible restrictions since Chong's entry into politics early last year and that such restrictions have hardly been relaxed.

In fact, Hyundai found it more difficult than other chaebol to get bank loans. The Korea Development Bank [KDB] has been reluctant to give Hyundai plant-and-equipment investment support for a year and a half since early 1992. In February, the KDB allocated a total of 2 trillion 300 billion won in the 1993 plant-and-equipment funding package to all enterprises except those affiliated with Hyundai. Hyundai had applied in November last year for a total of 800 billion won in KDB loans to finance the 1993 plant and equipment investment in seven or eight of its affiliated companies, including Hyundai Motor Co.

While transactions with other banks are going on on a regular basis, the Foreign Exchange Bank, Hyundai's main bank, is limiting loans within the credit line, refusing to grant any new loans over that line.

All banks are known to have virtually frozen their credit ceilings at the 1991 levels in their transactions with Hyundai. Consequently, Hyundai is procuring considerably large parts of the funds it needs through the secondary financial circles at high market rates.

Also, in the bureaucratic paperwork dealing with various permits and licenses, including building permits, Hyundai men think that they are handicapped by invisible red tape in numerous areas. An executive member of the Office of General Planning says that "the attitude of all the government employees seems to be that it is not in the interest of their career to be nice to Hyundai or friendly to Hyundai men." "This makes our business twice as difficult as before," he complains.

Nevertheless, there were times when signs of a thaw were seen, little by little, in the frozen ties between Chongwadae and Hyundai. It was said that some officials at Chongwadae, especially members of the New Economy team, began feeling that the sanction against Hyundai should be relaxed to some degrees if the New Economy 100-Day Plan was to succeed.

They were of the opinion that the withering of a giant business the sales of which account for 20% (44 trillion won in 1992) of GNP and for more than 10% of Korea's total yearly exports ($8.5 billion in 1992), is after all not in the interest of the national economy. While the unfavorable sentiment against Chong Chu-yong remained unabated, equally strong was the public opinion that the new government should understand the reality that "Hyundai is Chong's family itself."

Pleading by business leaders who, as time passed by, developed channels of dialogue with the new government also had its effect to marked degrees. They remembered the days under the 1980 National Defense Emergency Measure Committee, when Chong Chu-yong took the van to protect businessmen from being made a scapegoat. It was learned, belatedly, that many business leaders pleaded with the new government for leniency toward Hyundai and Chong, saying that "it is undesirable that businesses and businessmen are sacrificed every time there is a political change."

The Hyundai side also tried to show its prompt response. It prepared an epoch-making second-round separation/merger plan on affiliated companies and was just waiting for the right time to unfold it. Then came the unfortunate labor-management disputes in the Ulsan area, which, against the initial assessment of "a tempest in a teapot," kept escalating like raging flames. And the precious, conciliatory mood that had set in disappeared while all were watching the disputes spread and debating ways to settle them.

The development filled Chongwadae, the YS' loyal followers group in particular, with resentments against Hyundai. They were of the opinion that at a time when the New Economy program has not yet produced visible results, and when *chaebol's* plant and equipment investments made no headway, Hyundai's labor-management disputes further ruined the chances of the program's success.

"Why is it only at Hyundai that labor-management disputes are repeated like an annual event? Here, the issue is not money. It is how you treat workers as human beings," cried YS.

His roar, reproachful as it was of the lack of earnestness on the part of the Hyundai owner, apparently echoes the opinion of his loyal followers group.

The labor dispute of the Hyundai Group was indeed repeated every year, for reasons yet to be defined by analyses from various angles. An observation for now backs up Hyundai's explanations. It holds that the chaeya [reformist camp] activists, scheming to rally workers to their side, took advantage of the fact that Hyundai's affiliated companies are concentrated in one area, Ulsan, and made them their target. Another factor is that it is a trait of heavy industries such as auto manufacturing and shipbuilding that labor disputes involving them are apt to take on radical features.

However, many experts point to Hyundai's unique business style and organizational control method of as the cause. Characteristic of Hyundai's organizational control is its authoritarianism and emphasis on the driving force. The Group's labor management is known for its way of pushing workers headlong rather than for any carefully thought-out labor plans. Consequently, once disputes are kindled, they would more often intensify not for reasons involving wages or benefits but because of the management's attitude.

It has also been cited as another reason for the aggravation of disputes that the management of individual companies basically has no right to negotiate. Among other problems cited frequently are Hyundai's complicated system dealing with 400-plus types of timework and its outdated labor management system under which workers are hired not by any established standards but for compensations that are determined by the management's subjective decision.

We also hear an "ugly" observation about Hyundai. It is that the Hyundai makes no positive efforts to solve its problems and to convince the government of its weight in the Korean economy, that it negotiates with no earnestness but just hoping for a physical intervention by the government.

Hyundai of course insists that the criticisms are unfair. It maintains that the criticism in particular of an alleged free ride came at a time when Hyundai needed a rapprochement with the government so badly and therefore was logically unfounded, and that its labor management has technically been improved and refined through experiences in the annual exercise.

With regard to the government's handling of the Hyundai labor disputes, business communities actually voiced their criticism fairly strong, contending that Labor Minister Yi In-che and some others "added fuel to the fire" despite the fact that this year's case was more like a case of the chaeya labor force using Hyundai to test the power of the new government's labor policy. Bureaucrats in the economic ministries and agencies generally agreed. They were of the opinion that the government is in part responsible for the worsening of the disputes.

How long will the Hyundai vs. the new government tug of war continue? Is Hyundai really in a crisis?

An official of the Federation of the Korean Industries said: "If you see it as a tug of war, it is a draw. Hyundai indeed got on the nerves of the new government but it also provided an opportunity to the new government to recognize anew its enormous weight in our economy."

Meanwhile, a Chongwadae source said: "It is true that the conciliatory mood that was on briefly is gone now because of the labor-management disputes. It is also true that the YS camp is displeased with Mr. Chong Chu-yong's China visit and those scandals relating to the visit that came one after another. However, voices are also growing that Hyundai should be 'pardoned' someday for the sake of the 'big economy.'"

After all, it can be said that Hyundai's future rests with the new government and YS to decide. An interested business source pointed out that if the new government is to be successful in the economic domain, it will have to come to terms with Hyundai in a grand reconciliation sooner or later.

"Reconciliation, yes. For it, however, they must pardon us first," said an executive of the Hyundai Group.

His word reflects the irritations and impatience being felt by Hyundai men.

* Samsung Chairman Yi Kon-hui Profiled

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[Article by reporter Yi In-kil]

[Text] Yi Kon-hui—full 51 years old, born in Uiryong-san, South Kyongsang Province, the third son of the late Yi Pyong-chol. He is the overall head of the gigantic

Samsung conglomerate, the largest business group in Korea consisting of 44 affiliates, with a total of more than 150,000 employees. It is 6 years since he took over the control of the Samsung group, but very few even among its insiders know who he really is. Few businessmen are veiled so much in secrecy as he is.

That is why there is a constant stream of rumors about him, such as he is a drug addict, flirts with an elevator girl, has so many illicit children, is a two-timer making love with a songstress or an actress, and so on and so forth. He never said anything about these rumors, and this bred still more rumors. Amid all these rumors, he has been quietly leading the huge Samsung conglomerate keeping his stony silence.

But this year he began unravelling everything about himself, including his private life, branding Samsung "a second-rate group" and advocating a sweeping management reform.

His about-face was highlighted by a series of overseas conferences of his company executives which he presided over. Beginning with the Los Angeles conference on electronics in February, he held a meeting in Tokyo, Japan, in March; and meetings in Frankfurt, Germany, and in London, England, in June; and went back to Japan in July to preside over meetings in Osaka, Fukuoka, and back in Tokyo. Executives of the company headquarters in Korea and overseas managers attended this series of overseas meetings. All told, more than 1,800 managerial staff officers with the rank of deputy director or higher and 90 percent of all members of the board of directors attended from all the Samsung affiliates.

The final goal of the reform he aims at is the improvement of the quality of men and women by making his group the world's super first-rate business group.

He argues: "Unless we change now, we will never have another chance. Unless the government, the people, and business awake now, we will find ourselves in a pitiful state. We must change everything except our wives and children."

What is the real substance of his reform drive, which is sending fresh air to the business world and even gave birth to the new words "the Yi Kon-hui phenomena"?

I joined Chairman Yi Kon-hui and his party in Fukuoka, Japan, on 18 July and listened to his speech to the mid-night managerial conference he presided over and the discussions that followed. I also accompanied him in his inspection tour of Japanese harbors, highways, and other urban infrastructures, and interviewed him in his room at the 10th floor of Okura Hotel in Tokyo. I asked Chairman Yi: You have made no public appearances for so long.... There have been so many ugly rumors in circulation, haven't they?

Chairman Yi responded: "Even the team leaders in my secretarial staff with whom I daily get in touch do not know much about me, not even half, so it might be natural that one rumor has followed another in tandem. Rumors say that I became a vegetative existence, or that I am a drug addict.... I got involved in a very serious traffic accident in 1982, if I remember correctly. While riding in a Peugeot, my car collided with a dump truck head-on and was totaled. I was thrown out of the car. There was not much of a traumatic injury outside, but I was injured severely inside. Because of the unbearable pains, I was injected with pain killers numerous times. In a sense, the rumor about drug addiction may not be totally groundless."

But Chairman Yi said that the rumors that spread one after another are malicious slanders with an ultra motive.

Said chairman Yi: "The inheritance issue is at the root. I know well who fabricated those rumors. My father, the late chairman, underwent two operations. Rumors multiplied invariably when my father became very weak. I did not do anything about the rumors, believing that it was alright as long as I was not what the rumors claimed I was. Then, the rumors became more vociferous. One rumor even claimed that I had 90 or more illegitimate children. I had a vasectomy 12 or 13 years ago. My wife did not stand by when the operation was performed, but the result of the operation is proven by the fact that I did not have any more children since then. Except my wife and me, 99 percent of people, including my relatives, believed the wild rumor. Can you expect a company to do well when its staff members do not even know what kind of a person their president is? If I threw away my eye-glasses at a meeting of the presidents of my companies, no one cares about why I acted like that, and people only remember what happened."

Chairman Yi is known to be a teetotaler.

He explained, "I belong to the third generation in my family history who do not drink. Maybe I visit a drinking place once in three years. I reluctantly go when I am obliged to."

I asked, Then do you mean to say that you do not even meet with your friends?

Chairman Yi answered: "I have few friends to meet. I am an introvert and do not like to appear before others. Maybe it is because I was raised overseas that I have little in common to talk about with other people. I do not have much free time because I am immersed in work in the company from 8 o'clock in the morning till late in the evening.... I have some college alumni in Japan, but when I go to Japan, I have no time to meet them because I spend all night talking with electric and electronic engineers. I think I was an introvert since my childhood. I remember I attended a kindergarten, and it seems that I was a loner already in those days."

The environment in which he grew up seems to have a lot to with shaping his personality.

Yi Kon-hui was born in Taegu in 1942. As soon as he was weaned from milk, he was sent to his grandmother in Uiryong, South Kyongsang Province. He grew up under her care until he returned to the bosom of his mother shortly after liberation in 1945 when he was four years old. That is why he mistook his grandmother for his mother for quite some time. He entered Hyehwa Elementary School in Seoul in 1949 and later changed schools six times—twice in Seoul, then took refugee in Masan during the Korean War, and moved to Taegu, and then Pusan. When he was in the fifth grade, he followed his father to Japan, where he finished the elementary school. This process of growing up made him an introversive boy who did not show himself outside. He picked the habit of staying alone all by himself without friends and became absorbed in thinking.

While staying in Japan for three years, the boy Kon-hui became a movie buff. He watched over 1,000 movies in three years. He already begun to read a golf magazine and knew how to drive a car.

He graduated from the junior-and-senior high school attached to Seoul Teachers College. When he entered the high school, he joined the wrestling team and remained on the team for nearly three years. Thanks to the training he underwent in those days, he has an unusually well developed upper body, with broad and thick shoulders, which seem a little out of balance with his lower body.

After completing high school, he went to Japan for the second time under his father's instruction. Upon graduation from the Department of Commercial Science at Waseda University, he studied at the School of Business Administration, George Washington University, in the United States for one year. He became more interested in automobiles while in the United States. He did not stop at driving around a car, but he was so engrossed in auto mechanics that he enjoyed dismantling and reassembling automobiles. He can disassembly and reassemble ordinary electronic products as skilfully as any professional mechanic.

He lived apart from his parents when he became of age as he did before.

Chairman Yi reminisces: "About three years after I got married, two years before the Korean War, and two or three years during the Korean War are the all the years I stayed with my parents so far in my life."

He married Hong Na-hui (48), the oldest daughter of the late Hong Chin-ki, former chairman of the newspaper CHUNGANG ILBO, in 1967. The couple have one son and three daughters. The oldest son, Chae-yong, 25, graduated from the Department of Oriental History, Seoul University, and is currently enrolled at Keio University in Japan. The youngest daughter is in the second year of a middle school. The following is part of my interview with Chairman Yi.

Yi In-kil: You are so much absorbed in your work, particularly you stay overseas quite often. Naturally, your family must be not too happy about it.

Yi Kon-hui: "I have spent nearly 20 years sandwiched between my father and my father-in-law. There may be only a few cases like mine. In most cases of second-generation company presidents under their fathers, they see their fathers about once a week. But in my case, I was shackled to my father and father-in-law for nearly 20 years. I spent almost 12 hours in the company. I had not showed up on social occasions until my father passed away in 1987. My family thinks that this is quite normal with me. But I go home straight unless I have some particular outside schedule. Whenever possible, I have dialogues with my children, and do physical exercises together on Sundays."

Yi In-kil: What do you do as usual when you go home?

Yi Kon-hui: "I just work in the company and in my house as well. I make it a rule to watch TV news casts for two hours a day without fail. I read every article about Samsung in four major daily newspapers, including TONG-A ILBO and CHOSON ILBO. When there is a particular issue I am interested in, I read at least two newspaper editorials and commentaries without fail. I also take seven business magazines, two business dailies, one golf magazine, two automobile magazines, health magazines, and technical journals. In addition, I watch science documentaries and wildlife programs presented by Korean TV stations and the Japanese NHK station. All this takes up much time. I have to allot my time for so many things that sometimes I don't have a wink of sleep for 24 hours. My family raises two puppies, and I myself give them a bath once a month. Speaking of bathing, why do you think Japanese live long? The reason is that they do not take fatty food, instead they eat a lot of fish, alkaline food, and take a hot bath very often."

Speaking at the 17 September special lecture and discussion meeting in Osaka, Japan, for Samsung Southeast Asian field representatives, Chairman Yi introduced his health management method as follows:

"It is over a year since I reduced my sleeping time to about four hours. This being an urgent time, I sleep only three hours, and occasionally I manage to stay awake for 24 hours. I do not feel hungry when I take only a single meal a day. These days I take about five pieces of steamed rice rolled in laver and four or five pieces of raw fish. I eat peaches quite often because I am a heavy smoker. I eat mostly vegetables, such as carrots, cucumber, and cabbage. You will lose 5 to 7 kg in no time. I try to avoid as much as possible, rather I try to quit taking sugar and animal fat, such as beef, chicken, and pork. I take a few glasses of water and cups of Chinese Wulong tea and coffee. If you are concerned about your health, you had better take a hot bath. Stay in hot water at 40 degrees centigrade in the bath tub for 20 to 40 minutes each day, with your body below the navel submerged. You need only six hours of sleep. Try to cut sleep, and you will find your health improved. Why are you shortening your life by taking acidic food?"

Let us hear him talk about management reform, for which he has been making a feverish pitch these days.

Yi In-kil: You have the nickname of the Korean Howard Hughes. I am anxious to know why you suddenly began to reveal yourself to the outside this year.

Yi Kon-hui: "The very fact that the chairman summoned company executives and managers to overseas meetings and delivered lectures to them until 0300 or 0400 in the morning by spending so much money, shows the kind of crisis our company faces. For our country and for Samsung, this is not just another crisis. If we do not awake, we could face a tragedy comparable to that which existed in the last days of the Yi dynasty. No doubt Yi Wan-yong was a traitor. But if there had not been Yi Wan-yong, there must have appeared Kim Wan-yong or Pak Wan-yong instead. What I mean to say is that the situation was such that it produced such a traitor. The government was corrupt, and the national strength of the country was near zero. According to a calculation made by my employees under my instruction, our national strength in those days was less than 100 billion won on the basis of the value of the arable land.

"We cannot go on wriggling forever abusing Japan. Japan has the highest productivity in the world. If we go on like this, we will soon fall to the third or fourth rate. Take Samsung for instance, a company which is regarded as better than others in Korea. It has some forty companies, which produce thousands of products and parts. But semiconductor memories are about the only item that can compete in the world market. Given the high exchange rate of yen, the sales figures are good on paper. But we depend on Japan for production and machinery. So, when the pluses and minuses are added up, we are not better off than before. If Japan's annexation of Korea was a hard' annexation [by force], a soft' annexation by economic means may loom in the offing. I cannot bear seeing another Yi Wan-yong emerge in the present age in which I live.

"Look at Japan. Japan monopolizes world markets from 30 percent at least to between 70 and 80 percent in machinery, robotics, and so forth. If Japan can do it, why cannot we do it? I know by my sense what the first rate is like and what quality means because I have been overseas so often. The next 10 years or so is important, and we cannot let this opportunity slip by."

Chairman Yi Kon-hui then pointed out the differences between business operations in the days under the first-generation entrepreneurs and operations under the second generation. According to him, the companies under the first generation moved ahead by simply being there, but second-generation entrepreneurs have to surmount many handicaps until they consolidate the foundations of their business.

Said Yi Kon-hui: "In order for a second-generation entrepreneur to lead the group, first, there should be no quarrel in his family, if he cannot bring it to surrender. Second, he must be recognized by the executives and company personnel. There got to be some forces of rejection because some of those who grew under the first-generation still remain. In their eyes, the new executives are young and weak. Third, the new chairmen need to be recognized by society. In my case, I would say it took me about five years to set the family and company in order." Here is more of the interview.

Yi In-kil: Why did you go out of your way to organize overseas management conferences instead of holding them at home?

Yi Kon-hui: "They won't listen to me, no matter how hard I try to convince them. I wanted them to see with their own eyes what the first-rate advanced countries are doing, and how. Those who stayed with overseas branches for several years could not even interpret as properly as they should. When they visit an atomic power plant, they just walked through it. I wanted them to figure out how many years it took to build the station, what the unit cost of electric power was, what its environment condition was like, and so forth, on the basis of their direct observation, so that they might have a sense of crisis and feel the need for change. Spending billions of won is not a problem. When they see on what foundations advanced countries stand, and get motivated as a result, the money well spent will have the effect of killing five birds with one stone."

Yi In-kil: Would you elaborate on it a bit....

Yi Kon-hui: "It has been six months since the Los Angeles conference was held in February. But I feel as if more than six years have passed since. The purpose of the L.A. conference was to have our staff members see how foreign products appear on the U.S. market ahead of our products, and in what quantity and in what way some of the products we have been producing these three or five years are selling in the United States. They promised to do their best, and I believed that they were doing better than before. But it so happened that en route to Frankfurt, Germany, I read a report addressed to me by a Japanese design advisor on the plane. The report was tantamount to a warning that Samsung Electronics will have trouble if it does not improve. The advisor noted that he had filed similar reports to the director of industrial operation several times before, but there was no response; that's why he was submitting the report to me as a last resort, ready to quit at any time. I was dumfounded and felt the surge of anger. By nature I am an optimistic type who view things positively. I don't blink my eyes even if the company loses 1 billion or 10 billion won.... Every one of them fooled me—the chief secretary, the general manager, and the presidents, and what not. I knew too little about what I was to Samsung, although I have been with the company for over 25 years. Feeling that I cannot let things go like this unabated, I delved into the problems. The deeper I dug, the more serious I found the situation was. It was so frightening that I felt the cold shiver running down my spine. Believing that if we did not change now, we would be finished, I summoned our executive and managerial officers to Japan for field conferences."

By accident Chairman Yi's reform drive coincides with the inauguration of the Kim Yong-sam Administration. That is why some financial circles express sympathy with the drive, saying "it is a natural development," or "it is a refreshing shock." On the other hand, some critics take it as "a political gesture."

Said Yi Kon-hui: "This is not the time to discuss those comments. I have been the group chairman for nearly six years, and I feel I knew too little about the group for all these years. I also feel angry when I ask myself, What did the Samsung employees do all these years? That is why I am trying to do so much in a short space of time that my effort has become conspicuous. The geneses of my drive and the Kim Yong-sam Administration's reform drive are different, but the two drives came to coincide with each other while they progressed. So I feel I started the right thing. I am not the only one who is changing, but the whole atmosphere of society is changing. Hence I would say I am just riding the current. The financial and academic worlds may be asking why Samsung is all of a sudden behaving like this. But depending on who looks at it, the reaction will be different. It is quite natural that some people do not understand us.

"Nevertheless I belief that at this juncture when the nation is trying to rediscover morality and humanity, it is not enough that Samsung alone tries to change, nor is it right if we know something and try to keep it to ourselves. I thought it my minimum obligation to let the business community and the government know about our drive, irrespective of pros and cons.... The business community should clearly realize how deeply it is laboring under an illusion. In Samsung's case, it has grown from a 40-billion business to a 40-trillion one in 20 years. It looks big, but when you look at it carefully, it only appears big on the surface, and nothing more. Unless the entrepreneurs, including Samsung, the owners, and the employees all awaken from their fantasy that they worked so hard and made their companies grow so much, the impending crisis will become a reality."

The Samsung Chairman then stressed that if we are satisfied with the present levels of food, clothing, and shelter, there will be no problem even if we do not change. But he stressed that if we want to improve the quality of life and live like a first-rate nation, we should change every thing because it will be absolutely no good if we stick to our ways as they are now. I asked him more questions.

Yi In-kil: Mr. Chairman, in your opinion, what makes a company first-rate in the world?

Yi Kon-hui: "A firm's competitiveness depends on how fast it makes a product at what cost and what speed. Therefore, the condition for becoming a first-rate enterprise is to produce a product of the best quality at the lowest cost and at the fastest speed. Morality and the values of life, combined with these elements, turn a company a first-rate enterprise. Take Japan, for instance. Government, business, and people move in a complete harmony. Globalization is a basic requirement. Technological development, products planning, CAD/CAM design are possible only when equipped with the highest standard of software. In addition, these must be complemented with adequate infrastructures. This is to say that cheapest fuel, such as electricity produced by nuclear power generation and tidal power generation must be made available; and there must be a perfect array of airports, harbors, and free ways.

"What is more important is the quality of education. We must cultivate the climate in which people make much of children and send their children to school with full faith in the teachers. Look at advanced countries. They are improving the quality of life so much. In addition, there must be a good mix of record-keeping culture, etc. We do not have a record-keeping culture. Our companies lack it all the more. When an executive turns over his duties to his successor he does it without keeping the records. The outgoing person should introduce the employees to his successors and leave the records of the successes and failures behind so that improvements may be made in the future. When an overseas trip turned out to be a failure, the company officials involved simply gloss over the failure. Nobody offers advice or support. That is why the same mistakes recur over and over again. Only a fool behaves like this."

Yi In-kil: If so, what is the starting point of management reform?

Yi Kon-hui: "How can a company change while its personnel remain unchanged? Only when the chairman changes, will the secretariat; only when the president changes, will the board members change; and only when the board members change, will the managerial staff and the entire personnel change. When the Samsung group changes, other groups will follow suit. In order to effect change, Samsung must do away with individuals' old habits, shift emphasis in operation from quantity to quality, globalize and weave together its operations so that the whole operation may be channeled into one direction so as to maximize its competitive potential."

Yi In-kil: Emphasis on quality is the basic principle of management. Why are you emphasizing it at this of all times?

Yi Kon-hui: "Samsung is relatively doing well among the companies in Korea. But clearly, Samsung is a second-rate company according to world standards. Since I became chairman, I have always urged, 'eliminate reject goods' and 'Produce quality goods.' But they are still sticking to quantity. They are given to the out-dated thinking that whatever they make will sell. They don't blink their eyes when they see things they made twist and break down before their eyes.

"In the case of Samsung Electronics, 6,000 people do 20,000 pieces of repair work a day on the products turned out by 30,000 people. There is no other group as wasteful as ours. Using metaphor, I would say: Samsung Electronics is in the second stage of cancer; Samsung Heavy Industries is suffering from malnutrition; Samsung Construction is afflicted with malnutrition and diabetes; and Samsung Chemical Industries has congenital deformity; divide the sum of the sickness of Samsung Chemical Industries and that of Samsung Electronics Corporation by two, and you will arrive at the sickness of Samsung Corporation. Samsung LIfe Insurance appears to be doing relatively well, but there are many junk contracts. It should work really hard, and it has the duty to return what is due policy holders. Unless all these disease are not cured, the country will not do well, nor will the small,hole-in-the-wall stores either. This is why I told all our companies that they should first change their goals from quantity to quality. I will unconditionally let them keep their factories idle for 10 days or a whole month, if necessary, to devise ways to improve the quality. If we fully commit ourselves to quality, the quantity will increase and the scale will grow naturally."

He gives impromptu speeches or talks without any manuscript. The same was true when he gave a lecture at the discussion meeting I observed. While making an appeal, he pours out terrible scoldings. I could see the abashed looks of the audience. I asked him more about his reform plan.

Yi In-kil: I hear that your ideas are so renovative and the tempo of reform you want is so fast that the executives and managers cannot follow them.

Yi Kon-hui: "That could be the case. But there is absolutely no coercion. I believe they can change individually according to their individualities and personalities. It must be very difficult to change when they try to. But it is much better to change than not to change at all. I want them to change beginning with something that is easy to change or something they can do by themselves.

"But I myself will pick up and kick out whoever tries to hold back people who try to change. Those who want to run are free to run; those who want to walk are free to walk; and those who do not want to walk may sit idle. I will guarantee food, clothing, and shelter for all of them. But I want no one to interfere with those who are running, walking, or idling about. Whoever lacks a sense of responsibility and morality will be the first to be kicked out of Samsung. It may be tolerable in some cases when an inferior tries to pass the buck to his superior; but it is intolerable and unethical for a superior to try to pass the buck to his powerless inferiors. I am confident that if we do away with collective egoism and unite under the same goal, we will come out on top in any thing."

Yi In-kil: When you diagnose the trends of the world economy, do you think we will be able to join the ranks of advanced countries?

Yi Kon-hui: "The concept of business is radically changing throughout the world. The world economy will change more extensively and rapidly in the next 10 years than it did in the past 10 years. Take automobiles for instance. Currently, electric and electronic devices account for about 25 to 30 percent of the automobile. But in the next 10 years, the percentage will go up to 50 percent or more. Therefore, if we neglect the study of electricity and electronics, we will have a hard time in keeping up with international competition. Toyota, Nissan, and Honda of Japan select 300 to 500 electricians and train them each year. Now we should know where Samsung stands and realize that how ignorant we have been. In the past, it might have been convenient to get by without knowing where we stood. Look at the infrastructures. By coincidence, there has been no investment at all in infrastructures since the assassination of the wife of late President Pak Chong-hui in 1975. If we let the next two or three years slip by, there will be no more chance for the rest of the century. The government, the public, and the business must work hard in perfect harmony.

"It will be difficult to get more orders for electronic products. But when it comes to shipbuilding and heavy equipment, there is some possibility that we will get orders little by little if the value of the yen continues to rise. Things will change depending on public opinion regarding joint ventures. What business will be willing to move its operations to our country where there are so many restrictions and red tapes, instead of going to Southeast Asia? We are ahead only in semiconductor memories, rudimentary hand-phone technology, and facsimile. Even this edge will become hard to maintain unless we invest more. If we do not want to be second- or third-rate, we should lose no time in increasing investments in harbors, airports, and highways. Why do you think we recently had the Asiana passenger jet crash? There was a major pilot error. But the basic cause was the infrastructure. Boeing 737's need a runway at least 2,000 meters long and 40 meters wide. In foreign countries, airport like Mokpo Airport are used only by jet fighters"

Yi In-kil: What do you think of the plans to build a high-speed electric train and a new international airport?

Yi Kon-hui: "I don't know much about the high-speed electric train plan, but it is urgent to build an airport on Yongjong Island. The jumbo 747 has the longest range among all planes. But they have got to land in Korea or Japan after flying for 12 to 15 hours from the U.S. continent or for 10 to 12 hours from Europe. If a new airport that can operate for 24 hours a day is built in the vicinity of Seoul or Pusan to accommodate smaller planes servicing the Southeast Asian and Japanese routes, it will have industrial trickle-down effects. The initial investment burden will be great, but the original outlay will soon be recovered."

Yi In-kil: What is your assessment of the government's economic policy?

Yi Kon-hui: "First, let us take a look at the scale of enterprises. The combined total sales by our aircraft, shipbuilding, and automobile industries is about the same as the total sales of Mitsubishi of Japan. Even the total sales of the Samsung group is only half that of Mitsubishi. Korea lags behind in technology accumulation and development. They talk about specialization, but the scale and quality are the problem. It seems to me that the expressions like leading corporation' and the concentration of economic potential' are the concepts that would push firms and the business community 20 to 30 years backward. Export is the only way our country can survive. We cannot hold out unless we open our markets, if we are to export. We must choose between complete openness and the kind of closed society like North Korea.

"Under these circumstances, this is not the time to discuss issues such as business tentacles, conglomerates, and specialization. When left alone, enterprises can do well by themselves. Efficient businesses prosper, and inefficient ones are foreclosed by the banks. How did the Kukje group case occur? It did not occur because somebody provoked it. Speaking of specialization, they say it is an incentive measure. But it is an idea conceived by the Korean way of thinking. Many-sided business operation is something that is taken for granted everywhere else. When a cooperation borrows money on interest from the bank, it is branded as a 'special favor.' When a firm buys a piece of land, it is accused of criminal speculation. Does this not amount to say, Stop doing business!?

"If possible, I would like to run factories here in Korea, where there are the graves of my ancestors. But to survive, I have no choice but to transfer some factories overseas. When I go to the United States, Germany, England, or Spain and ask them to provide a million pyong of land for me, their ministers would say they would come here to say thanks. Some time ago Samsung Electronics took over a Brown tube factory in Berlin. The German government offered a 30,000-pyong plot and a building with a floor space of 15,000 pyongyang free of charge and paid 40 percent of the investment as a subsidy into the bargain. The only condition is that the factory will employ 1,000 workers for five years. Theoretically speaking, after five years we could fire all the employees and build a luxury apartment complex on the cite. Suppose Samsung asks our own government to provide about 50,000 pyong as a site for a semiconductor factory, they would say, You are crazy. When the country is second-rate, its enterprises cannot but be second-rate."

Yi In-kil: What are you going to do with the passenger car production plan?

Yi Kon-hui: "We have been studying it very hard with a great interest. But we see more reasons why we should drop the whole idea as the days go by. If we do it, it would be purely out of our patriotism. If the public feels as if Samsung is maneuvering to get a special privilege, why should we court trouble by investing so much when we are busy? There is no reason to build another factory without the support of the government and the public. It is frustrating to see that while the value of the yen is high, the exports of electronic goods and automobiles only amount to $23 billion and $3 billion, respectively."

Yi In-kil: If the condition becomes favorable, are you going to go ahead with the plan?

Yi Kon-hui: "The project is worth trying."

Yi In-kil: However, would it not be a problem if a small country like ours is flooded with automobile companies? If Samsung is to launch the project, it will have to begin from the stage of assembly technology. With such a beginning, how soon do you expect to become able to compete with the world's first-rate automakers?

Yi Kon-hui: "Thanks to its credit position and its strong points, I think it is possible for Samsung to form a joint venture with one of the top 10 makers in the world. There will be no problem if the partner joins us by brining in all necessary technology and funds. It is expected that electric and electronic devices will account for a greater portion of automobile components in the future. We have a strong point in this regard. Only American, Japanese, German, and French makers are expected to survive the future competition. All of them seek to advance into Southeast Asian markets, and Korea has a very favorable geographical condition for serving as a production base for their advance. Our propinquity to China is one of our strong points. I think we have two to three years to take advantage of this opportunity. If we let it slip, it will be the end of it."

Yi In-kil: I think business has made a lot of soul-searching before asking the government for assistance.

Yi Kon-hui: "They should. Look at those in their thirties carefully. Not many of them earn their living and live conscientiously, ethically, and with human compassion. Clearly, the business community has had numerous problems in the past. The government, with the licensing power in its hand, even regulated products; naturally this bred a cozy relationship between government and business. Only after receiving some money, government officials gave something back in return. It is undeniable that companies' old habits, combined with these practices, made them neglect self-transformation. Naturally, business should do better in the future."

Yi In-kil: What is your comment on the new government's policy directions?

Yi Kon-hui: "We have a lot to expect from the civilian government because it is deregulating controls as a matter of law more extensively than the Fifth and Sixth Republics. I think the government should better understand the subtleties of government administration and the economy. If we waste time arguing about who was right or wrong, we will accomplish nothing. If you begin to dig up every muck and argue about what was done in the past, it will hurt someone's feelings and stir quarrels. We should stop digging into the past; instead we should find out where the problems lay and put what we found on record. Such records will prove to be a very useful asset. In my opinion, when the government promulgates a new policy or law, no matter how good it seems, it will have limits in its application unless it was drafted from square one."

Yi In-kil: Realistically, is it possible to let bygones be bygones?

Yi Kon-hui: "Of course, it is a difficult proposition. In my opinion, we cannot immerse ourselves in questioning the past, if we are to improve the quality of life and enable our children to compete with the United States and Japan on even terms."

Yi In-kil: Some time ago, while you, Mr. Chairman, was stressing the importance of legality and morality, one of Samsung employees was caught in the act of sneaking into a Gold-Star refrigerator plant....

Yi Kon-hui: "Technology must be so important. Saying that they would develop a certain technology by themselves, our employees wasted several years sitting on the project. I told them to buy technology from overseas, but they won't listen. Even when I bring in a technical advisor, they stay put and won't listen to him. If we are good, why do we have to hire Japanese advisors. No high technology is involved in making refrigerators. Simple technology that people can learn by observation is no longer useful. Insensitivity to morality is more of the problem. From now on I will never let my employees laboriously fumbling with any foreign technology that has already been developed. Suppose we paid $3 million for a technology worth $1 million, I would say the money was well spent."

Samsung has been clearly undergoing changes since Chairman Yi took over. After he set foot into the Samsung group for the first time in 1966, he learned the importance of logicality, a new law-abiding order, and morality from his father, the late Yi Pyong-chol, and his father-in-law, Hong Chin-ki. True, his style is permeated with the colors of these two men. But he has some aspects that are clearly different from the styles of the two men.

If his father, the former chairman, attached importance to the results and sought perfection, the present chairman stresses that even when the results are somewhat unsatisfactory, only if the process was correct and the best efforts were made, is there some room for sympathy. He criticizes the old pattern of Samsung operation based mainly on control because, he says, it is doing harm to Samsung. Let us see what he has to say.

Yi In-kil: What are the differences between you and your father, the former chairman, in management style?

Yi Kon-hui: "There are many. My father was given to formalism and authoritarianism, and had an usually strong tenacity and will power. On the other hand, we of the second generation are more realistic and flexible in thinking. My father would go to work and quit for the day at the set times on the dot. But in my case, I work in the regular office hours, and I continue to work all the time except when there is a particular outside appointment. My father set aside Tuesdays and Fridays for golf throughout his yearly schedule. He was always in the CHUNGANG ILBO building every Wednesday, so I met him there without calling him up over the phone. On the contrary, people cannot see me unless they find out beforehand where I am. In retrospect, I labored under a major illusion. When I was formally selected as an heir-apparent in 1979, I thought that when my father passed away and I ensconced myself in the chairman's seat, the staff officers naturally would follow my leadership because my office used to be next to my father's. But that was not the case. It was like a rejection syndrome following an organ transplant. Only recently I began to raise my voice occasionally. I have been fooled completely for these five years."

Yi In-kil: They say you seldom appear at the Samsung headquarters building for work.

Yi Kon-hui: "It has been that way up to now. Well, I think that putting the division between the headquarters building, the home, and the conference room aside, I should there more frequently wherever necessary. Until now I wanted to take it easy. But it is obvious that Samsung would go to hell if it remains unchanged. I am determined to make everything public and take up the challenge."

Yi In-kil: What was behind the fact that you, the third son, was chosen as chairman of the group over the heads of your older brothers?

Yi Kon-hui: "Formerly, I explained the background during a board of directors meeting. Outsiders say I pushed aside my older brothers and became the chairman, although I am the third son. But in fact, I was fooled by my father. When a tentative succession plan was decided upon in 1973 or thereabout, my father said to me, 'Neither Maeng-hui nor Chang-hui will do; Kon-hui, you should take over.' Shortly before that, it was decided that I be in charge of three companies, namely, CHUNGANG ILBO, Tongbang Insurance, and Chungang Development Co. It was the consensus of opinion in the family that being the submissive and unsociable type, I wouldn't be fit for business. My father also said, 'You have no reason to take a headache upon yourself.' I have no one to envy because I got the mass medium CHUNGANG ILBO and a real estate company, in addition to the financial power of Tongbang Insurance. In those days the TBC was another mass medium. But I was entrapped by my father's obsession. While I was evasive, I was cornered into accepting the offer. In 1974 or thereabout I came to convince myself that the headache will be the same if I ran three companies or 10 companies. So, I agreed to become the next chairman. As a result, an announcement was made in 1978 or 1979, I do not remember correctly, declaring me to be the heir."

Yi In-kil: What do you mean by that you were fooled by your father. could you elaborate on it?

Yi Kon-hui: "I was fooled, not slightly, but completely. When the Hanbi case broke out, my father lost his enthusiasm for business and began to loathe to work. Diagnosing his illness as cancer, the doctor operated on him in 1975. He was operated on again in 1982 for cerebral meningitis. He looked shaken; he must have felt psychologically weak after the successive operations. He had more than 95 percent of the management rights, but his companies began to drop out one after another without his knowing. By a strange coincidence, I suffered a serious injury in an automobile accident in 1982. Slanders and malicious rumors were flying about.... It was so arranged that my older sister and younger sisters each would receive 2 to 3 percent of my father's estate. In terms of actual amount, this percentage amounted to billions of won, which is equivalent to tens of billions of won in terms of the present currency. Suspecting that my father was shaky in his mind, I just did not bother about the arrangement. There were frequent family quarrels. The daughters are at the center of the problem in every home."

Yi In-kill: Recently, Maeng-hui, your oldest brother, published two books.

Yi Kon-hu: "I am not interested. He has written, not two books, but several books so far. I have never see him since I met him for 10 minutes five years ago. The moment someone mentions his books, I just turn around and go away."

During the interview in Chairman Yi's hotel room, Yi Chae-hyon, the oldest son of his brother Maeng-hui; Chae-yong, Chairman Yi's son; and Hong Sok-hyon, his brother-in-law and vice president of Samsung Corning, were on hand, but Chairman Yi did not bother about their presence.

Chairman Yi made an arrangement to have Chae-hyon, the oldest son of his oldest brother; and Chae-kwan, president of Saehan Media, attend the overseas conferences of top Samsung executives and managers, and talked things over with them until wee hours of the morning prior to these meetings. I asked him about the inheritance issue.

Yi In-kil: Recently, you separated Cheil Sugar, known to be the parent body of the Samsung group, from the group and gave it to the oldest son of your oldest brother. With this, the distribution of the estate has been completed?

Yi Kon-hui: "Rumors say that I gave Cheil Sugar to Chae-hyon according to the will of my father, the late chairman. That is totally untrue. I acted purely on my own accord. Giving away Cheil Sugar would be like parting Goldstar from the Lucky-Goldstar group and Hyundai Construction from the Hyundai group. Cheil Sugar alone is so huge that it is worth more than 1 trillion won. But that does not mean the end. Now that I have given one to the oldest son of my oldest brother, I have to give one to another cousin also. I am thinking of giving away Cheil Chemical Synthetic Textiles. It will not be easy to surmount the opposition by the venture partner, Toho Rayon of Japan."

Yi In-kil: There are no labor unions in Samsung affiliates. What is your opinion of organized labor?

Yi Kon-hui: "Labor unions that opposes management for the sake of opposition, labor unions that seeks to destroy and get paid for not working, are no good. Any such organization is no good. In Samsung management and labor are tied together by a stronger bond than that in any other company, in terms of seeking mutual interests and coexistence. We have a labor-management consultative council in Samsung. We plan to nurture it further. In case of Japan, employees of a company of middling size submit more than 10,000 suggestions a year, and over 90 percent of them are adopted. We will boldly adopt constructive suggestions."

Two Companies Plan To Declare Bankruptcy

SK2010083993 Seoul YONHAP in English 0730 GMT 20 Oct 93

[Text] Seoul, Oct. 20 (YONHAP)—Two companies of the Pongmyong Group were on the brink of bankruptcy Wednesday after failing to honor bills totaling 9 billion won on Monday and Tuesday. Pongmyong Industrial Co. manufactures cast iron products and Toturak Co. produces frozen food. Their banks will shortly pronounce them insolvent as there is no possibility of them honoring the bills, according to sources.

The two firms owe financial institutions a combined total of 192.1 billion won (240 million U.S. dollars): 29.6 billion won to the Commercial Bank of Korea, 31 billion won to the Bank of Taegu and 125 billion won to non-bank financial firms.

Rep. Yi Sung-mu of the ruling Democratic Liberal Party owns the group, which has been in financial difficulty for some time now as a result of the closure of Pongmyong coal mine, one of its affiliates, and a decline in business at Toturak.

Pongmyong Industrial and Toturak are capitalized at 11 billion won and 8.2 billion won, respectively, and had sales last year of 12 billion won and 39 billion won, respectively. Pongmyong is the largest group facing the danger of bankruptcy since the real-name financial transaction system took force in August.

Semiconductor Makers Expect Export Increase

SK2010011193 Seoul YONHAP in English 0049 GMT 20 Oct 93

[Text] Seoul, Oct. 20 (YONHAP)—Korean semiconductor manufacturers expect exports to be as much as 50 percent higher this year than last year. This year's exports of finished and unfinished memory chips are expected to total 7.5 billion U.S. dollars, 2.5 times a projected figure of 3 billion dollars for automobiles and 1.3 times the goal of 5.5 billion dollars for steel, industry sources said Wednesday.

Average export growth in 1987-1992 was 32 percent, compared with 25 percent for automobiles, 6 percent for steel and 17 percent for textiles. Samsung Electronics Co., world no. 1 in the field of dynamic random access memory (dram) chips, expects to export 2.4 billion dollars worth by the year-end, up 54.8 percent from last year's 1.55 billion dollars.

Goldstar Electron Co. is confident of reaching 900 million dollars, up 38.4 percent from 650 million dollars last year, and Hyundai Electronics Co. anticipates hiking exports 22.9 percent to 750 million dollars from 610 million dollars. Anam Industries Co., the world's biggest semiconductor assembler, has forecast exports of 2.2 billion dollars this year, up 23.6 percent from 1.78 billion dollars.

Samsung alone is likely to have higher turnover than the entire automobile exports this year just from semiconductors, a company spokesman said.

Exports of Home Electronics Products Rise

SK1910053193 Seoul YONHAP in English 0457 GMT 19 Oct 93

[Text] Seoul, Oct. 19 (YONHAP)—Exports of home electronic products were up 5.6 percent in the first three quarters over last year at 4.07 billion U.S. dollars. Exports grew 7 percent in September and October and are on course for a 12-month figure of 6 percent. This compares with declines from 1989 to 1992.

Exports of industrial electronic products rose 24.7 in the first eight months to 3.2 billion dollars and the growth rate will top 20 percent for the year. It averaged 7.1 percent for the last five years.

Sources say a recovery of demand in advanced countries such as Japan and the United States, and in the European Community caused the rise in exports.

Japan imported 338.41 million dollars of Korean home electronic appliances in January-August, up 11.9 percent in the first upturn in three years, and its imports of industrial electronic products grew 6.2 percent in the eight months.

U.S. imports from Korea reached 1.44 billion dollars, up 17.5 percent, and are expected to be 2.44 billion dollars for the year, up 36.5 percent.

Automobile Production Increases 13.1 Percent

SK1910015693 Seoul YONHAP in English 0129 GMT 19 Oct 93

[Text] Seoul, Oct. 19 (YONHAP)—South Korea is almost certain to become the sixth biggest automaking country next year by rolling out a total of 2,240,000 automobiles, up 13.1 percent from this year, a Corporate Economic Research Institute predicted Tuesday. The automobile industry is likely to ride out Korea's recession because of continuing growth in domestic demand, particularly for cars, and rising demand abroad, the Kia Economic Research Institute said.

Domestic sales were forecast to grow 12.1 percent to 1,580,000 motor vehicles and exports to grow 15.8 percent to 660,000. This would push South Korea past Canada to become the sixth largest automaker after Japan, the United States, Germany, France and Spain, it said. In the export sector, passenger car sales will rise 13 percent to 584,000 and compact commercial vehicles will jump 43.4 percent to 76,000 thanks to the weakening price competitiveness of Japanese automakers caused by rapid appreciation of the Japanese yen, Kia said.

By region, exports to Latin America, Southeast Asia and the Middle East are expected to grow 50 percent as countries in those regions have traditionally bought Japanese cars, it said.

Cambodia

Sihanouk Says Cancer Not 'Completely Treated'

BK1910115693 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1100 GMT 19 Oct 93

["Message from His Majesty King Norodom Sihanouk" in Beijing]

[Text] Greetings to the two supreme patriarchs, whom I respect, revere, love, and greatly miss. Greetings to the most revered and beloved clergy. Greetings to most beloved and missed wisemen, nuns, brothers, children, grandchildren, great grandchildren, and all compatriots.

I think about you very much every day. I want to be able to return to the Cambodian motherland, which I revere and love more than my life, in order to share your woe and weal. The cancer I am encountering, however, has not been completely treated yet. Male and female Chinese professors and doctors have been treating me meticulously day and night, without any neglect. Despite this, it is necessary to continue active treatment morning, noon, and night.

Doctors have operated and removed the cancerous tumor. This can gradually occur again, however, at other places in my body. For this reason, the Chinese doctors think it is necessary to continue the treatment without any break, particularly with chemotherapy; that is, treatment with (?chemicals). This method of treatment—chemotherapy—requires many months to kill the cancer and prevent its return. This requires that I stay in my hospital room all the time to avoid all kinds of microbes and remain under the constant care of my doctors. Furthermore, this chemotherapy has drained more of my strength and makes me want to throw up. A lot of my hair is falling out. If the chemotherapy is not enough, then the doctors will also use radiotherapy.

On top of this, my dear Chinese friends—who are paying great attention to enable me to have a long life—will provide traditional Chinese medicine along with the most expensive modern medicine from (?France) and the United States.

Finally, I hope all of you continually enjoy the five Buddhist blessings of longevity, social prestige, happiness, strength, and enlightenment. May Cambodia, our sacred and beloved motherland, quickly recover complete (?peace) with union, independence, sovereignty, and territorial integrity without fail, the way it was during the Sangkum Reas Niyum era.

Done in Beijing, capital of the PRC, on (?16) October 1993.

French Military Delegation Arrives for Visit

BK1910125793 Phnom Penh AKP in English 1005 GMT 19 Oct 93

[Text] Phnom Penh AKP October 19—French military delegation led by Admiral Lanxade, chief of General Staff of the Armed Forces of the Republic of France, arrived in Phnom Penh Sunday for a four-day official visit to Cambodia.

The delegation's visit is made to draft military cooperation between Cambodia and France, of which the minutes was signed in Phnom Penh on July 6 by First Prime Minister Norodom Ranariddh, Second Prime Minister Hun Sen, who are also co-ministers of the national defence of the Kingdom of Cambodia; and Francois Leotard, french minister of defence.

The delegation is scheduled to meet with the five-star General Hun Sen, co-commander in chief of the Khmer Royal Armed Forces and General Ke Kimyan, chief of general staff of the Khmer Royal Armed Forces, to discuss military cooperation between the two countries.

France was the first country to sign military cooperation with Cambodia. It has successively sent delegations to visit Cambodia in the spirit of the signed agreement.

Prior to the current visit, the other two French military delegations respectively led by Francois Leotard, minister of defence, and Admiral Calmon paid separate visits to Cambodia in July and September.

France also sent 15 military experts to help train Cambodian soldiers. Moreover, it gave two helicopters to King Norodom Sihanouk.

Foreign Minister Cited on Khmer Rouge Role

BK1910053993 Bangkok BANGKOK POST (INSIDE INDOCHINA supplement) in English 19 Oct 93 p 2

[Text] Cambodian Foreign Minister Prince Norodom Sirivut paid an official visit to Australia from October 8-12 during which Canberra offered military aid, including the development of a national defence communications plan, the study of a maritime support system for the Navy, and demining.

The following is a transcript of a report—by Radio Australia correspondent Graeme Dobell, and carried on Network Asia on October 12—on the talks between Prince Sirivut and Australian Foreign Minister Gareth Evans.

Dobell: Prince Sirivut said Cambodia's unique system of having two prime ministers as part of the governing coalition was working well. It was an example of the Asian wish to protect face while also delivering stable government.... The Australian foreign minister said the door was still open to the Khmer Rouge, which refused to take part in the May elections. Prince Sirivut said the Khmer Rouge issue had to be resolved to forestall de facto partition of Cambodia. The two sides are to meet next month in a round table and Prince Sirivut said the issue was how to draw the claws of the Khmer Rouge.

Sirivut: Because we must achieve national reconciliation and we must achieve rehabilitation of Cambodia. Let the door open and bring the tiger from the jungle into the town. But it is very dangerous to bring a tiger to town. Cambodia must try to transform the tiger into the cat and when the tiger becomes the cat, we can bring him into the living room. But one time in the living room, we must provide milk; not too much milk too... [it] is very dangerous. And to provide some milk is not enough... must be some shampoo you know because the living room is beautiful and cannot allow the cat you know disturb the living room so you can cut the... nails, er, claws. That is the spirit. How to transform the tiger to the cat.

Dobell: The growing confidence of Phnom Penh was reflected in the Cambodian Foreign Minister's comment that the round table next month with the Khmer Rouge would not be a meeting of factions. Because of the elections, he said, and the drawing up of a new constitution, it would be a meeting between a legitimate government and an outlaw group.

The prince said the Khmer Rouge had been weakened by the defection of nearly 2,000 of its troops. In the talks, the communist group could not expect to be offered a role in government; instead it could expect some advisory role, but only if [it] met a set of conditions.

Sirivut: (The Khmer Rouge) must recognise the new constitution of Cambodia, it must recognise the National Assembly is elected by the Cambodian people through the fair and free elections.

They (the Khmer Rouge) must recognise His Majesty the King as the Head of State. They must open their zone, because the notion of an autonomous zone is not any more acceptable. And their army must be dismantled and re-integrated in the National Army. And talking about the milk... yes, we can imagine some advisory role in the Government... role in the Government is too much milk, that is a little milk is advisory role perhaps but it depends on their attitude in November and they must come without any condition.

Dobell: Prince Sirivut repeated his attack on elements in Thailand that traded with and supported the Khmer Rouge. The Cambodian Foreign Minister said he would like the Thai Foreign Minister, Prasong Sunsiri, to visit Cambodia before the Government's talks with the Khmer Rouge.

Sirivut: Thailand must understand now that it is better to have relations between state to state, it means between kingdom to kingdom, but not between kingdom to the the outlaw group, it's the Khmer Rouge. So I feel that Thailand understands very well and moves to the right track not to support any more Khmer Rouge to shell me [from] the Thai soil and to allow the Khmer Rouge to use Thailand territory to detain UNTAC [United Nations Transitional Authority in Cambodia] people during the last time in the Thai soil too.

I would like to make clear with Thailand that, yes, now Cambodia is a sovereign state, we have Royal government and I wish that Thailand must have cooperation between state to state. And I feel that in New York the ASEAN partners, Indonesia, Brunei, the Philippines point out clearly to the Thai friend, please, you must understand the Royal Government of Cambodia. And once again, I reiterate my request to Thailand to stand on the right track position and not to any more help the Khmer Rouge.

Dobell: Australia's Foreign Minister, Senator Gareth Evans, said he had held talks with Bangkok both about Thailand's relations with the Khmer Rouge and with the military regime in Burma. Senator Evans said the civilian Government in Thailand was doing what it could to control some military elements.

Evans: In the past, there has been a degree of support more informal and unofficial than official. And that has given some support and encouragement unquestionably to the Khmer Rouge. And equally clearly, if the situation is to stabilise and the new Government is to be able to get on with the job and bring a durable and viable peace, there are certain consequences that flow from that.

The Thai Prime minister and his Foreign Minister understand that very clearly and are fully supportive of this. They are doing their best to make this work in practice. In regard to the problem of the Government controlling the military in Thailand, [this] does not appear to be as big a problem as in the past.

Ground has changed since the May revolution in Bangkok. The direction is clear, but it is important the message Prince Sirivut is wanting to give them is reinforced by all Cambodia's friends. That helps the position of the Thai Government when friends make clear their concern and express their support for that approach. That is the spirit in which I have approached my discussions with the Thais.

Radio Suggests KR Leaders Exile Themselves

BK1910155593 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 19 Oct 93

[Unattributed "article": "If the Roundtable Does Not Fail"]

[Text] According to the program planned for October, the roundtable meeting betwen the government and leaders of the Khmer Rouge rebels will be held in Phnom Penh under the chairmanship of his majesty the king. This will be a meeting to solve the problem of national union under the demand and exchange for power between the zones controlled by the Khmer Rouge and the power the Khmer Rouge wants to have.

We have already suggested that the Khmer Rouge end the control of various zones by handing over these zones to the king and agree to national reconciliation. The post of adviser can then be happily be granted by the royal government as long as this advisory post does not carry with it the right to veto, because this right is unacceptable.

Furthermore, there is also a problem with the Khmer Rouge leaders Khieu Samphan will bring along with him. There should be clear conditions on this. Who are the leaders that will have a role in the royal government? Will Salot Sar, alias Pol Pot, alias Lmut, Ieng Sary, Ta Mok, and Son Sen be part of the list of demands at the roundtable?

It is difficult for the Cambodian people to accept if the roundtable really brings such a result. In the view of the public, they can forget the past in accordance with the idea of the king who has made a request from his children. However, the Cambodian people, with their eyes closed, can accept only Khieu Samphan among the Khmer Rouge rebel leaders. They cannot accept Khieu Samphan's first, second, and third brothers.

For the Cambodian people's peace and for full security for these banned people, the roundtable ought to raise and clearly discuss this issue because the lives of the Cambodian people, whose numbers have increased to 7 to 8 million, entirely and unconditionally depend on the royal government.

In our survey of public opinion, the issue of the Khmer Rouge's first, second, and third brothers should be avoided in the royal government. The roundtable should order these big leaders to exile themselves to countries they think are safe for them. This is better than coming back, which Cambodians cannot accept.

This is an advance request, even if the roundtable fails.

145 Khmer Rouge Soldiers Said To Defect in Oct

BK1910131393 Phnom Penh AKP in English 1014 GMT 19 Oct 93

[Text] Phnom Penh AKP October 19—One hundred and forty five Khmer Rouges had defected their rank and reported to the royal government during the second week of October (October 5-11).

According to military source, the returnees had brought along with them 272 assorted guns and a quantity of ammunition.

The source said that 58 Khmer Rouge soldiers together with 18 guns reported themselves to the authorities in the northwestern province of Siem Reap.

It said the remaining 87 Khmer Rouges had reportedly surrendered to the royal armed forces and authorities in Banteay Meanchey, Battambang, Kompong Speu, Kompong Thom, Kratie and Kampot Provinces.

About 2,000 Khmer Rouges have defected their rank following the royal government's appeal. Some of them have been trained before being integrated into the royal armed forces.

Two Bridges in Banteay Meanchey Repaired

BK1910131593 Phnom Penh AKP in English 1016 GMT 19 Oct 93

[Text] Phnom Penh AKP October 19—Two bridges blown up by the Khmer Rouges early this month in Mongkolborei District, Banteay Meanchey Province, have been restored and reopened to traffic.

The restoration work is funded by the United Nations Development Program (UNDP).

The two bridges, which were destroyed by the Khmer Rouge troops, are located at Russei Krom commune and O Prasat commune.

UNDP is now helping the northwestern border province of Banteay Meanchey in the fields of education, healthcare, agriculture, and communications.

Radio Reports 10 Oct Khmer Rouge Attacks

BK1510142093 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 15 Oct 93

[Text] On 10 October from 0600 to 0830, about 100 soldiers of the Democratic Kampuchean troops launched an ugly attack on the positions of Division 3 of our Khmer Royal Armed Forces in the O Smach area, wounding two of our combatants. However our troops from Division 3 launched a timely counterattack forcing the Democratic Kampuchean troops to leave 11 bodies on the battlefield and four weapons, including a 60-mm mortar. On the night of 10 October, at 0100 sharp, about 30 Democratic Kampuchean troops attacked people's homes 4 km east of Poipet near the Cambodian-Thai border, killing four persons and wounding four others.

Mutinied Troops Reportedly Kill Officers

BK1910104193 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 18 Oct 93

[Text] On 14 October a group of Para [noncommunist troops of the Khmer People's National Liberation Front] soldiers in Stoung mutinied, killing three puppet officers and wounding a number of others, and fled home.

The people reported that the reasons for the Para soldiers' mutiny against the puppet officers are:

1. The Para soldiers are very angry with the puppet officers because the puppet leaders have threatened and oppressed the Para troops as though the latter were dogs. These officers have pointed their guns at the Para troops and forced them to be in the front in operations against the people. Any soldier refusing to move forward will be

killed; many have already been executed, including some colonels, majors, and captains.

2. The Para soldiers are very angry with the puppet officers who have stolen their salary and benefits. Their living conditions are very miserable. They sleep on the ground with no hammocks, no mosquito nets, and no plastic sheet to guard against the rain. There is no rice and no medicine. When they are wounded or sick, there is nothing to treat them. Furthermore, they have been forced by the puppet officers to fight.

3. They do not want to become Vietnam's second puppet. They want only national reconciliation in accordance with the king father to have peace and security and so that the people will live in peace.

4. The people, their families, and parents have called on them to return home to live and work the land for a living instead of staying on and becoming Vietnam's second puppet, and be killed.

Indonesia

Dailies Comment on Israeli Premier's Visit

BK1910130593 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 18 Oct 93

[From the press review]

[Text] BERITA BUANA says the visit to Indonesia by Israeli Prime Minister Yitzhaq Rabin to meet with President Suharto in his capacity as chairman of the Nonaligned Movement [NAM] is no different from the recent visit by Palestine President Yasir 'Arafat. In fact, without Rabin's visit, President Suharto has monitored existing problems and considered what measures to be taken by the NAM following the Palestine-Israel mutual recognition. In this connection, BERITA BUANA says President Suharto has been fair by agreeing to meet the two sides. In addition, Indonesia has also wisely performed its duty as NAM chairman, and this move has certainly showed the great influence and dignity of President Suharto in promoting global peace.

KOMPAS believes that the stand adopted by President Suharto in his capacity as NAM chairman is in line with the constitutional message, historical heritage, and national responsibility toward peace and justice.

Meanwhile, REPUBLIKA says the support given by NAM with its membership of more than 100 countries, the majority of which are Islamic countries, has great significance to the peace accord, which is now still facing opposition from several countries. However, if it turns out that the peace process undermines the interests of the Palestinian people, Indonesia's stand on this matter is clear, namely, it will forever continue to support the Palestinian people's struggle.

Meanwhile, PELITA stresses that Indonesia should resolve this issue in the future through the Organization of Islamic Conference or the NAM with a view to achieving comprehensive peace in the Middle East.

BISNIS INDONESIA welcomes the government's wisdom in this issue because Indonesia's interests lie in its support to the PLO-Israel peace process until an independent and sovereign state of Palestine is established in line with the preamble of our 1945 Constitution and Pancasila ideology. Therefore, BISNIS INDONESIA warns the public not to be alarmed if a Jewish diplomatic mission is established in the country someday because such a thing is thus far unthinkable and even unnecessary.

Rising Costs, Competition Plague Textile Makers

BK1810085193 Jakarta SUARA PEMBARUAN in Indonesian 27 Sep 93 p 4

[Text] Jakarta, 27 Sep—The textiles produced in Indonesia are facing stiff competition with those produced in the PRC. There has been a glut in the international market lately such that prices continue to drop.

"Due to overproduction, textile prices in overseas markets have been weak for quite some time," Junichi Suwa, president director of Centex, told a meeting of shareholders in Jakarta on Saturday.

Continuing, Suwa said that lately the abundance of Chinese textiles had put Indonesian textile exporters at their wits end. This is because they had embarked on a large-scale expansion program. "The expansion of the textile plants was done at a time when there was still a good market for textiles, but what happened after that was just the opposite. Indonesian exporters find it hard to sell their textiles.

According to Suwa, due to the economic recession, there was an ailing market for textiles when the expanded plants began to increase their production. Thus, there was an oversupply of textiles.

"The prices of Chinese textiles are much cheaper than those of Indonesia. This is because the cost of labor is very cheap there," he added.

On the other hand, the production cost of Indonesian textiles increased due to the rise in the labor cost at the plants. Suwa explained that in 1992, labor costs increased by 11.9 percent. Likewise, in the beginning of 1993, the prices of essential commodities went up. The price for fuel oil increased by 28 percent, electricity by 13 percent, and the minimum wage by 15 percent. He reiterated that the rising cost of living had affected the production cost of textiles.

He said that textile exports during the first quarter of 1993 only reached 90 percent of the target, while domestic sales are 155 percent of the production budget. In this way, domestic sales help balance the declining exports.

Philippines

MNLF Chief, Military Optimistic Over Talks

BK1810094293 Quezon City Radio Filipinas in English 0230 GMT 18 Oct 93

[Text] Muslim secessionist leader Nur Misuari and military officials in Mindanao expressed optimism that the coming peace talks between the Moro National Liberation Front [MNLF] and the Philippine Government in Jakarta will lead to a just and lasting peace in the island. There is no reason for us not to be optimistic because there is every reason for us to be optimistic, Misuari told newsmen in a telephone interview.

Southcom [South Command] Chief Major General Thelmo Cunanan said he is not pessimistic about the coming peace talks. Because I know for a fact that the government is sincere and is even willing to bend backward if only to attain peace without having to sacrifice the country's prosperity. But Misuari, contacted in Islamabad, Pakistan, said he was proceeding to Jeddah to confer with Dr. Hamid Al-Gabid, the Organization of Islamic Conference's [OIC] secretary general, on the exact date of the peace talks between the government and the MNLF in Jakarta. Nothing is final about the date until we get the confirmation from the OIC and the host country, Misuari said.

Former Ambassador Manuel Yan, head of the Philippine panel announced the other day that formal peace talks with the MNLF will start on 25 October in Jakarta. Yan, who will leave for Jakarta with the rest of the five-member government panel on 22 October 22, also said Misuari will be in Jakarta on 21 October. I am not sure I will be in Jakarta on the 21st. I'll still confer with the OIC's secretary general on the exact date of the start of the peace talks. I don't want to spend my time unnecessarily in Jakarta, Misuari said. Misuari, head of the MNLF panel, also said that if the start of the peace talks will be on 25 October, ministers from the OIC's ministerial committee, comprising the countries of Libya, Somalia, Senegal, Bangladesh, Saudi Arabia and Indonesia, may not be able to attend the talks. The ministers told me in April during our meeting in Karachi that they have plans to come to the peace talks, Misuari said.

MNLF Chief Reveals Post-Peace Talks Plans

BK1910073493 Quezon City Radio Filipinas in English 0230 GMT 19 Oct 93

[Text] MNLF [Moro National Liberation Front] leader Nur Misuari says an agreement would be reached in the forthcoming peace talks between the government and the MNLF in Jakarta, Indonesia. Misuari says all leaders and members of the MNLF would return to Mindanao and begin an economic recovery program if issues would be resolved in the peace talks. The peace talks will be held in Jakarta starting on Sunday. The government panel of the peace talks with the MNLF leaves today for Jakarta, Indonesia. President Ramos said he has instructed the panel to exert every effort to end the armed struggle in the south by coming up with a peace agreement.

Temporary Cease-Fire in Effect as Talks Near

BK2010075093 Quezon City Radio Filipinas in English 0230 GMT 20 Oct 93

[Text] A temporary cease-fire is now in effect in areas in southern Philippines where the Moro National Liberation Front [MNLF] operates. [Manuel] Yan [head of the government negotiating panel] says this is part of the agreement reached between the MNLF and the Philippine Government in connection with the forthcoming peace talks. As this developed, 17 high-powered firearms were turned over by 13 former MNLF rebels to avail of the government's Balik Baril [Surrender Firearms] Program. Armed Forces of the Philippines CRS [Civil Relations Service] Chief Rene Dado said the rebel returnees were followers of former MNLF commander Pagayawan who used to operate in Lanao and Maguindanao. Commander Pagayawan surrendered to the military last September 29 of this year. The rebel returnees will be provided livelihood opportunities.

Amending Constitution May Be Used in Talks

BK2010080993 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 20 Oct 93

[Text] Constitutional amendments can be implemented to enforce any agreements reached by the government and communist negotiating panels, Justice Secretary Franklin Drilon said in his dialogue with former NDF [National Democratic Front] spokesman Satur Ocampo and Carolina Malay-Ocampo. Drilon added that if the welfare of Filipinos is at stake, there is no reason to rule out constitutional amendments. Some observers speculate that amending some provisions of the Constitution is necessary to uphold any agreements reached in the forthcoming series of peace talks between the government and the communist rebels.

MILF Rebels Threaten U.S. Engineers in Cotabato

BK1910112793 Manila MANILA STANDARD in English 18 Oct 93 p 2

[By Beth D. Castillo]

[Text] Cotabato City—American engineers constructing a U.S. funded road project in Sarangani province have drawn the ire of a Moro rebel faction for reportedly forging an "agreement" with a rival rebel group to help secure their construction works, the military said Saturday.

Captain Medardo Geslani, spokesman of the Army's Southern Command advance station here, said some local commanders of the Moro Islamic Liberation Front (MILF) have been harassing workers of the Morrison

Knudsen Corporation, an American construction firm, in a bid to exact "protection money." Geslani said the MILF elements were apparently "jealous" of their rival Moro National Liberation Front (MNLF) local leaders with whom the American Company had reportedly forged a "security" pact for the safety of their construction works.

He said MILF guerrillas led by Esmael Saafar alias "Kumander Tigre," vice chairman of the Raja Buayan Revolutionary Committee, have threatened to kill the American workers of the 56-kilometer road project in Sarangani province unless they are equally given "protection money."

Geslani said Allan Binger, Morrison Knudsen Corp. (MKC) project director, had reportedly rejected the MILF group's demand for a P1 million [Philippine pesos] protection money, prompting the front to get angry. He said the MILF elements were "jealous" over the reported "agreement" between MKC and MNLF leaders allegedly granting the latter financial concessions.

The 56-kilometer road construction in Sarangani province is the second project funded by the Philippine Aid Plan (PAP) and U.S. Agency for International Development (USAID) and undertaken by MKC.

The first project, also undertaken by MKC, is located in General Santos City and South Cotabato where troopers from the Army's 601st brigade have been deployed to provide security.

Last month, several MKC engineers including Binger had allegedly fled the first project sites due to escalating threats by rebel groups. The military would neither confirm nor deny the report.

Last March, then MKC Project Engineer Duanne Buckert had reportedly confronted a certain "Kumander Manny" of the MILF. The confrontation resulted to the burning of a P2.1 million MKC equipment.

Amid the "intramurals" among the MILF, MNLF, and MKC, Geslani said, Army troopers have been deployed in the second project site to ensure smooth flow of construction works.

Head of Leftist Peasants Movement Impeached

BK2010080393 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 20 Oct 93

[Text] Jaime Tadeo, national chairman of the KMP [Kilusang Magbubukid ng Pilipinas—Peasants Movement of the Philippines], has been impeached from his position. Tadeo had served as national chairman of the movement since its inception in 1985. In a statement, Tadeo was accused of abusing authority, squandering funds of the movement, and sabotaging the movement. Tadeo was also accused of transferring to his personal account funds from the movement amounting to almost P2 [Philippine pesos] million. Aside from this, Tadeo was ignoring the decisions of the movement's National Council and insisting on his own decisions. Because of Tadeo's impeachment, Rafael Mariano will act as national chairman of the movement. Tadeo was earlier imprisoned for swindling.

Roundup of Rebel Activities 9-15 Oct

BK1910100693

[Editorial Report] The following is a roundup of reports of Philippine rebel activities from Philippine media monitored by Bangkok Bureau between 9 and 15 October. Source information is given in parentheses at the end of each item.

9-10 October

No fileworthy items monitored.

11 October

The New People's Army in Bicol has recruited boys and girls between the ages of 10 and 16. The military said this after the Army's 2d Infantry Battalion on 4 September captured Jonathan Rosana, alias Ka [Comrade] Ray, 14, who led a team of young communist rebels in the Albay-Sorsogon area. (Manila PHILIPPINE DAILY INQUIRER in English 11 Oct 93 p 15)

12-14 October

No fileworthy items monitored.

15 October

Seven M-16 rifles were turned over by two Moro National Liberation Front commanders who surrendered to Brigadier General Rene Dado, commanding general of the Armed Forces of the Philippines-Civil Relations Service. (Quezon City PTV-4 Television Network in Tagalog 0500 GMT 15 Oct 93)

Vietnam

Vo Van Kiet Receives French Business Delegation

BK2010101593 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 19 Oct 93

[Text] Prime Minister Vo Van Kiet cordially received at the Government Office the French Employers Council delegation led by its chairman, Mr. Francois Xavier Ortoli, who paid a courtesy call to the prime minister on the afternoon of 19 October. The delegation is currently paying a working visit to our country.

Chairman Francois Xavier Ortoli informed Prime Minister Vo Van Kiet of the objectives of the delegation's trip to study the new developments in Vietnam in order to apply them to the two countries' joint investment ventures.

The French Employers Council consists of many leading economic, scientific, and technological groups based in

France and other parts of the world. Through its meetings with Vietnamese leading officials from ministers to directors of corporations, the council has expressed its satisfaction with the agreements reached. The French chairman asserted: The French employers highly value the Vietnamese Government's current economic policy and show acute interest in Vietnam, which serves as an important market in Southeast Asia. He expressed the hope that, following this trip, the French employers would make positive contributions in Vietnam's national reconstruction through the various joint investment ventures in which France is experienced to serve the interest of the two countries and peace and stability in the world.

The prime minister thanked the council in general and its chairman in particular for having created conditions for the French business people to make a third visit to Vietnam to study the opportunities for business joint ventures. The prime minister noted that a number of French groups have effectively implemented their investment projects in Vietnam.

The prime minister asserted: The fine traditional relations between Vietnam and the French Republic have created favorable conditions for good bilateral cooperation and mutual assistance between Vietnamese and French business people.

Vo Van Kiet Receives UNICEF Officials

BK1910070793 Hanoi VNA in English 0647 GMT 19 Oct 93

[Text] Hanoi VNA Oct 19—Prime Minister Vo Van Kiet received here on Monday Mr. Kul Gautam, director programme-division, UNICEF headquarters in New York, and Mr. Daniel Brooks, UNICEF director-Southeast Asia and the Pacific, who are on a visit to Vietnam.

Mr. Gautam said that his visit is to review and evaluate the implementation of UNICEF-Vietnam cooperation programme in the 1991-1995 period. He highly appreciated the policy and achievements made by Vietnam in child care and protection and in the implementation of the UNICEF-Vietnam cooperation programme on issues relating to children. He noted that the biggest success of Vietnam is that although being a poor country it has reduced the child mortality rate to a lower level in comparison with many countries in the world. Mr Gautam reaffirmed that UNICEF would provide Vietnam with further cooperation and assistance, including the increase of financial assistance in 1994-1995 to facilitate Vietnam to implement its child care programme.

Prime Minister Vo Van Kiet described the visit of the two UNICEF officials as a great encouragement for Vietnam to better the child care and education work. 'The Vietnamese Government always considers child care and education one of the important work in its human strategy. UNICEF's assistance has created new favourable conditions for Vietnam to promote child care and protection', P.M. Kiet said. On behalf of the Government and people of Vietnam he expressed thanks to the efficient assistance of UNICEF and pledged to best implement its cooperation programmes with UNICEF, and effectively use the financial source from UNICEF for Vietnamese children. Also present at the reception were Chairwoman of the Committee for Child Care and Protection Mrs. Tran Thi Thanh Thanh, and UNICEF representative in Vietnam Mr Stephen J. Woodhouse.

Nguyen Khanh Visits Kuwait, Meets With Leaders

BK1710140593 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 16 Oct 93

[Text] At the invitation of the Kuwaiti Government, SRV Deputy Prime Minister Nguyen Khanh visited Kuwait on 12-16 October. Upon arrival in Kuwait, the Vietnamese delegation was cordially received by Kuwaiti Prime Minister Sa'ad al-'Abdallah.

Prime Minister Sa'ad al-'Abdallah warmly welcomed the Vietnamese delegation and said that the visit is an important event in the relations between the two countries. The prime minister highly appraised the Vietnamese people's struggle to rebuild the country through the renovation process. He expressed the hope that Kuwait would be able to develop multifaceted cooperation with Vietnam. He asserted that despite numerous difficulties due to the Gulf war, Kuwait would continue to do its best to cooperate with and provide assistance to Vietnam.

Deputy Prime Minister Nguyen Khanh expressed his delight at having a chance to visit Kuwait for the first time. He noted with pleasure that the Kuwaiti people have quickly overcome the consequences of the war and have recorded great achievements in various fields. He asserted that the Vietnamese Government will strive to accelerate friendship and bilateral cooperation in the economic and cultural domains with Kuwait.

The Vietnamese deputy prime minister sincerely thanked the Kuwaiti Government and people for their valuable and effective assistance extended to the Vietnamese people during the past years.

During its visit to Kuwait, the Vietnamese Government delegation held talks with the Kuwaiti Government delegation. Both sides expressed identical views on major orientations and measures aimed at expanding bilateral cooperation in the fields of commerce, investment, culture, public health, and education.

The Vietnamese delegation also held talks with the Kuwaiti minister of commerce and industry, the director of the Kuwaiti Bank, the chairman of the Kuwaiti Chamber of Commerce, and officials of the Ministries of Foreign Affairs, Planning, Public Health, and Education.

The delegation also met with a number of Kuwaiti businessmen and visited several production and public welfare establishments.

Vietnamese Ambassador to Kuwait Tran Tam Giap accompanied the Vietnamese delegation throughout the visit.

National Assembly Chairman Visits Sweden

BK1810155893 Hanoi Voice of Vietnam in English 1000 GMT 17 Oct 93

[Text] The delegation of the Vietnamese National Assembly led by Chairman Nong Duc Manh has paid a visit to Sweden. During its stay in Sweden, the delegation was received by the Swedish Parliament Chairwomen Mrs. (Coheser). The Swedish leader hailed Vietnam's important achievements scored in its renovation, and maintained that the process of renewal in Vietnam is in conformity with the development trend of the time, opening a new prospect for Vietnam, creating a firm basis for the diversified and effective cooperation between Vietnam and Sweden, especially between the two countries' national assemblies.

Assembly Delegation Ends Visit

BK1910152393 Hanoi VNA in English 1508 GMT 19 Oct 93

[Text] Hanoi VNA Oct.19—A delegation of the National Assembly of Vietnam led by its Chairman Nong Duc Manh today concluded an official visit to Sweden, and left for Germany to continue its tour of a number of European countries.

During its stay in Sweden from Oct. 14-19, the Vietnamese delegation had working sessions with some government agencies and the Stockholm administration.

The delegation was received by A. Svensson, minister of cooperation for development. Mr. Svensson said that he had visit Vietnam and seen with his own eyes the remarkable progress in its renovation process. He expressed his pleasure at the well operation of Sweden-funded projects in Vietnam.

For his part, Chairman Nong Duc Manh expressed his sincere thanks to Minister Svensson and other Swedish officials, who had actively contributed to implementing the programmes of assistance and cooperation with Vietnam. He said that Vietnam will do its best to develop the Sweden-funded projects and broaden its multi-faced cooperations with Sweden for the benefit of the two countries.

Army Paper Interviews Do Muoi on Recent Trip

BK2010070193 Hanoi Voice of Vietnam in English 1000 GMT 19 Oct 93

[Text] Vietnamese Party Chief Do Muoi just concluded an official visit to Thailand. Early last week, he completed a tour of Singapore. Upon his return to Hanoi, Mr. Do Muoi was interviewed by the army newspaper NHAN DAN. Here is the review of the interview:

The party leader held that the visits to Singapore and Thailand were successful. Everywhere the delegation went it was warmly welcomed. The meetings with the high-level leaders of Singapore and Thailand took place in an atmosphere of frankness and sincerity. Vietnam and those two countries have agreed to strengthen and further promote cooperative ties.

On relations between Vietnam and ASEAN, Mr. Do Muoi affirmed that Vietnam continues to pursue its independent and socialized foreign policy. Vietnam gives priority to the development of relations with regional countries but attaches great importance to countries in other regions.

The Vietnamese party chief also pointed out that Vietnam's relations with ASEAN, in general, and each of the members, in particular, are an important factor for peace and security of the region. The terms of these relations are peace and security will be more guaranteed. He said that ASEAN countries, including Singapore and Thailand, want Vietnam to become a member of ASEAN, and Vietnam will join the organization at the convenient time.

Mr. Do Muoi also said that the business circles in Singapore and Thailand highly appreciate Vietnam and are interested in the market. They want to invest in and take part in the economic development in Vietnam. Vietnam, as always, opens its door wide to anyone who wants to do serious business.

Le Xuan Trinh Attends Hong Kong Economic Forum

BK1610102593 Hanoi VNA in English 0751 GMT 16 Oct 93

[Text] Hanoi VNA Oct 16—A Vietnamese delegation led by Cabinet Minister Le Xuan Trinh attended a World Economic Forum on economic relations between European and East Asian countries recently opened in Hong Kong.

In his speech on 'Vietnam's willingness to participate in Asia's dynamic development process,' the Vietnamese head delegate highlighted the country's open multilateral foreign policies. He said while enhancing relations with others the Vietnamese Government also facilitate all businesses, non-governmental organisations and citizens of Vietnam to expand their ties with others in the world outside.

The minister also briefed the forum about the initial but very important achievements Vietnam obtained in the renovation process, Vietnam's laws on foreign investment and key sectors for investment and called for more foreign investment in Vietnam.

Japan 'Expected To Promise' $560 Million in Aid

BK1910094893 Hanoi Voice of Vietnam in English 1000 GMT 18 Oct 93

[Text] Japan is expected to promise nearly $560 million in aid for Vietnam in November and it is reported to be prepared to increase aid steadily over the next few years. Earlier, Tokyo's pledge of aid is expected to be made during or soon after the November meeting of the group of nations supporting and aiding Vietnam. The World Bank, the UN Development Program, and individual governments pledging to give aid to Vietnam will meet in Paris in 9 to 10 November.

Defense Minister Greets Regiment on Anniversary

BK1510040393 Hanoi Voice of Vietnam Network in Vietnamese 2330 GMT 14 Oct 93

["Letter of greetings from Defense Minister Doan Khue to troops of the 28th Regiment under the Dac To Infantry Division, Tay Nguyen Military Corps, on the occasion of the regiment's 25th anniversary"—read by announcer]

[Text] Dear comrades: On the occasion of the 25th glorious anniversary of the 28th Regiment, 15 October, on behalf of the party Central Committee Military Commission and the Ministry of National Defense, I would like to cordially extend my solicitous regards and warmest greetings to all the cadres and combatants of the regiment, including disabled and sick soldiers, families of fallen heroes, and those comrades who have already retired or been transfered to civilian services.

Through their 20 years of unit building, combat activities, and growth under the leadership of the glorious Communist Party of Vietnam and with the affection and assistance provided by the people nationwide, especially the support given by the multiethnic compatriots in the Central Highlands, various generations of cadres and combatants of the 28th Regiment have constantly developed the fine character of the People's Army and the heroic tradition of the army and people of the Central Highlands. They have always remained united, unified, self-sufficient, determined to win, resourceful, and courageous, have fought persistently, and have overcome untold hardship, ordeals, and difficulties in outstandingly fulfilling all their assigned missions, thus contributing duly to the causes of achieving national liberation and unification, building and defending the socialist Vietnamese fatherland, and completing its lofty international obligation.

The regiment has had the honor of being awarded the title of hero of the Vietnamese People's Army. Its three subordinate units have also been given the hero title and many other valuable prizes.

I would like to avail myself of this opportunity to highly commend you, comrades, for the achievements you have gained over the past 25 years.

I wish you, comrades, good health and progess so as to be always worthy of the trust of the party, the army, and the people, especially the heroic multiethnic compatriots of the Central Highlands.

My cordial and determined-to-win salutation.

Nguyen Duc Binh Attends Party School Function

BK1810125793 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 16 Oct 93

[Text] On the morning of 16 October, the Nguyen Ai Quoc Party School, First Region, the name of which has recently been changed to Hanoi Subinstitute of the Ho Chi Minh National Political Institute, held a function to mark its 40th founding anniversary and to review the task of training for middle- and high-level party and state cadres in past 10 years.

Among attendants were Comrade Nguyen Duc Binh, member of the party Central Committee Political Bureau and secretary of the Central Committee; Comrade Pham The Duyet, member of the party Central Committee Political Bureau and secretary of the Hanoi city party committee; and other leaders of the party Central Committee departments, government ministries, and representatives from various localities country-wide.

Professor Le Doan Ta, principal of the school, briefed the audience and pointed out that during the past 40 years, the school and its predecessors, the early regional political schools that were called Ta Ngan, Third Region, Fourth Region, Northwest Region, North Region schools, then Nguyen Ai Quoc Sub-Schools No. 1, 2, 3, and 6, or the Central Organization and Inspection School No. 1, and the latest Nguyen Ai Quoc School First Region, have always adhered to its political tasks of each revolution stage, and have successfully trained thousands of party and state cadres for districts, precincts, provinces, business establishments, minority ethnic regions, and party organization cadres, in the north.

The contingent of cadres trained by the school have contributed significantly to the liberation of our people, construction and protection of the country and the political peace, and the implementation of the renovation undertaking. They are also an important replacement source for cadres at leading positions at all levels and sectors. Many of them are now holding leading positions at both central and local levels.

Comrade Nguyen Duc Binh, on behalf of the party and state has conferred Independence Order Second Class on the school. After complimenting the school for its achievements, Comrade Nguyen Duc Binh stressed that in the new situation, the Nguyen Ai Quoc School First Region should develop their existing traditions, correctly determine the training objectives that had been communicated by the party's seventh congress. The school should also strive to continue to renovate the training program and improve the training quality, pay appropriate attention to diversifying the programs which is vital for the development of the market-driven economy, the open-door policy, and for building a wealthy and happy people, a strong country, and an advanced society.

Vu Oanh Attends Peasants Association Congress

BK1710110793 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 16 Oct 93

[Text] The Association of the Vietnamese Peasants [AVP] Central Committee held its 9th conference of delegates recently to finalize the draft documents to be presented at the upcoming Second AVP Congress. Attending the conference were Comrade Vu Oanh, member of the Communist Party of Vietnam Central Committee Political Bureau, and Duong Xuan An, deputy chief of the party Central Committee Mass Mobilization Department.

The conference discussed and contributed many ideas to the AVP Central Committee's draft reports on the situation of the peasants, the rural areas, and the activities of the association during the past five years. Delegates also discussed the tasks and orientations of the AVP in the days ahead. They also discussed preparations for the upcoming AVP congress.

The conference finally decided to hold the Second AVP Congress from 15 to 19 November 1993.

Vu Oanh Attends Women's Union Celebration

BK2010101193 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 19 Oct 93

[Text] The Hanoi Municipal Women's Union held a meeting this morning at the Hanoi Theatre to mark the 63d founding anniversary of the Vietnam Women's Union, 20 October.

Attending the meeting were Comrade Vu Oanh, member of the party Central Committee Political Bureau; Le At Hoi, chairman of the Hanoi Municipal People's Committee; a large number of representatives from various ministries and sectors; veteran woman-cadres; and many women belonging to various organs at the central level and in Hanoi.

Comrade Truong My Hoa, secretary of the party Central Committee and chairperson of the Vietnam Women's Union, delivered a speech underscoring the role of Vietnamese women in the cause of national construction and defense. It is especially noted that in the recent period, thanks to the uniform, close, dynamic and creative leadership of the Women's Unions at various levels—from the central down to the grassroots—vigorous changes in many fields of activities have been been effected and five main activity programs set forth by the resolution of the Seventh National Womens Congress have been satisfactorily implemented.

At this meeting, Comrade Nguyen Thi Kim Thanh, chairperson of the Hanoi Municipal Women's Union proclaimed the activity program of the municipal Women's Union to implement Resolution 4 of the Political Bureau on renovating and intensifying women's mobilization work in the new situation. She also announced the start of a contest to seek to understand two books entitled: Necessary Things in Life and How To Raise Children To Become Useful People.

Also on this occasion, the Vietnam Women's Union Central Committee decided to confer twenty-five "For the Cause of Women's Emancipation" orders on a number of party and state leading cadres, leaders of various ministries and sectors, and some foreign guests.

Vu Oanh on Mass Mobilization Work, Part 1

BK1910133793 Hanoi NHAN DAN in Vietnamese 21 Sep 93 p 3

["Part one" of article by Vu Oanh: "Let Us Continue To Renovate the Party-Initiated Mass Mobilization Work in the New Situation"]

[Text] Prior to the establishment of the Communist Party of Vietnam [CPV], its former organizations and revolutionary activists had formulated and carried out tasks related to mass mobilization, propaganda, motivating the people to fight against coercion and exploitation by the imperialists and feudalists, and to regain national independence and freedom. Since the emergence of the CPV, the mass mobilization work has been closely combined with the party leadership role. Indeed, tasks related to cadres, building the political and armed forces, seizing and strengthening the administration, and implementing the current renovation process all must rely on the mass mobilization work and cooperation from the people. Obviously, our party mass mobilization work is of great revolutionary and strategic significance. It is our party's secret formula for attaining victory in national defense and reconstruction.

Undergoing many ups and downs in various revolutionary stages, the CPV—founded and forged by President Ho Chi Minh—has always relied on and brought into full play the people's great role in overcoming numerous difficulties to surge forward. When the fatherland is in danger, the party will motivate the people using such slogans as: "We had better sacrifice all we have to protect our national independence and sovereignty," and "There is nothing more precious than independence and freedom," and "The war of resistance will finally score victory." In response to these appeals, people throughout the country have taken their turn to participate in various revolutionary movements. Generation after generation of our people have made great sacrifices to fight against the enemies including the most powerful one. We fought selflessly under the motto: "The people have confidence in the party, the party trusts the people."

Presently, it is necessary to improve the relationship between the party and people to cope with new challenges. These new challenges and requirements have stemmed from new revolutionary achievements of the era.

New characteristics in this regard include:

1. Regarding the mass mobilization work. As far as mass mobilization work is concerned, there is room for improvement in the relations between the party and people now that the party assumes power on a national scale and the law-governed state belongs to the people. These achievements are the fruit of the protracted revolutionary struggle and the sacrifices in terms of blood and bones by the people. At present, the people are still dutybound to carry out such tasks as national defense and construction, building of the administration and national defense and security forces, and developing the socioeconomic situation. As a result, it is necessary to fully grasp the people's important role, bearing in mind the fact that instead of regarding them as passive elements who need to be ruled or told what to do, we must let the people know, discuss, implement, and supervise. We must realize that all power belongs to the people who are masters of the country.

It is necessary to say that in its relations with the people, the party has always asserted its leadership role. The party must formulate correct lines and policies that are acceptable to the people. It must build a contingent of capable cadres and members who will be the vanguard forces and who know how to work closely with the people. The close relations between the party and people have become a powerful strength and a very valuable tradition of the Vietnamese revolution. At the stage in which the party assumes power on a national scale, it is even more necessary for the party to strengthen its relations with the people. In the process of improving and enhancing its leadership role, the party has to resolve various issues related to its realtions with the people. At the recent party Central Committee Third Plenum, General Secretary Do Muoi stressed: "Through the administration, the party enjoys favorable conditions in expanding and strengthening its relations with the people, especially through activities of the daily social life and through the state apparatus and other agencies in our political system.

Besides those advantages, a great danger has also emerged. That is the bureaucratization of the ruling party, which is manifested by unpopular policies that are contradictory to the common practice and to the people's wishes, by working methods that stay away from the public concern, and by the degeneration in lifestyle of cadres. Our entire party must fight to eliminate that danger, preserve and develop the party's fine tradition, and consolidate and strengthen its close relationship with the public".

In the relation between the party and people, when the party is a ruling party and the government is a law-governed one, the mass mobilization work must be fundamentally renovated. It now cannot be performed only by the mass mobilization sector (system of organizations) and by cadres and party members who would directly propagandize and motivate the public. It must be done mainly with the party and state's lines and policies. Correct policies that are in accord with the people's wishes and beneficial to the public are the most efficient and attractive mass mobilization work. Of course, to have correct policies, the party must have a contingent of exemplary members. They must stay close to the public, win the people's respect and trust, be able to attract the public to participate in the forming process of the party and state's lines and policies, and work with the public to successfully carry out those lines and policies.

2. Our present international relation is both a new opportunity and a new challenge.

The world of late 20th century is a world full of changes that have overthrown the old world order and are forming a new order. The technological and scientific revolution with its rapid progresses and achievements in computers, electronics, informatics, and biology has highly accelerated the development rate of the production force. Then the enthusiastic and wide-spreading socioeconomic reform has effected social issues in every country (striving for upgrading of people's knowledge, democracy, social justice, and living conditions).

The international relationship is moving in a complicated manner. While the equal relations, national sovereignty, political life, and lives of dozens of million of people have been threatened by regional and religious wars, famine, and diseases—especially, AIDS, the epidemic disease of the century. At the same time, new trends have also emerged: Ideological fighting is occurring under different forms together with the existence of relations for mutual benefits; and fiercely competitive relations together with the economic cooperation in each group and region and with the multilateral and diversified relations for peace, friendship, and development. Therefore, willing or not, all countries must adjust themselves to adapt and assimilate. No nation can firmly stand with its impassivity, dependency, or running counter to the new trends of the world.

Ours is an economically poor and backward country. This fact constitutes both a difficulty and an advantage for a nation that still lags behind. Furthermore, we have the opportunity to broaden our relations with the outside world. As we face new challenges, we are also encouraged to move forward. The issue that needs to be raised here is not the difficult and complicated nature of the situation but our personal efforts. It is necessary for us to firmly grasp the opportunities and charter our own path to integrate ourselves into the world community on the principle of sovereignty, assertiveness, and development.

3. Basically, our party-initiated renovation line is consistent with the actual developments in our country, responds to our people's aspirations, and conforms with the new trends of development in the world. Time and effectiveness in many domains have testified to that fact. Our country, however, still meets with many difficulties. The national economy still faces a crisis. Many factors of instability still exist. Our country is facing an even greater challenge, namely either we succeed in creating a new strength for socioeconomic development aimed at making the people rich and the country powerful, bringing about civilization in society, and making our nation assume a due role in the world community or we fail to make progress and overcome difficulties, shortcomings, and backwardness.

Socially speaking, our party-initiated renovation undertaking has helped set up new international relations, thus creating conditions for our society to shift to a market-oriented economy and for each citizen, each family, and society as a whole to take the initiative in adapting themselves to the new situation in a creative manner based on socialist orientations. At the same time, egalitarianism and homogeneity no longer make their presence felt in our society. Instead, a society marked by rich and diversified political beliefs and different skills, knowledge, circumstances, and lifestyle has emerged. While looking after their own interests, the vast majority of our people, however, still preserve their national cultural traits and traditions of unselfishness, compassion, charity, and mutual assistance, knowing how to share weal and woe with one another and pay their debts to those who have rendered meritorious service to the fatherland and people. The state belongs to the people and is dutybound to manage and regulate public interests. It is the state's policy to use primary and basic ways and means (the granting of the right to use land, the privatization of a number of state-run economic establishments, and the provision of investment capital...) to create conditions for everyone to earn their living and enrich themselves while at the same time contributing to bringing about wealth to society. It is also the state's policy to motivate the entire people to assist those who are affected by natural calamities or enemy-caused diasters. The state cannot and will not be able to give subsidies to the people. It is the duty of each citizen to earn his/her living, work and enjoy the fruit of his/her labor, and make contributions to the state budget.

It is necessary to mobilize the talents and material resources among the people to serve the interests of the nation and people. This undertaking will be supported by the masses. We, however, should proceed within the bounds of law, devise proper organizational patterns, strictly oversee the handling of financial matters, and refrain from regulating manpower and material resources in an indiscriminate manner, which, in turn, will lead to waste and corruption.

Our people are still poor. Some of them still suffer from food shortages and diseases. It is everyone's duty to take care of themselves and their families while at the same time contributing to the movement to eliminate hunger and reduce poverty. Therefore, as far as the mobilization of the people's manpower, including the manpower of voluntary agencies and collective labor organizations, is concerned, one should not act at one's convenience and disregard the common economic interests of the nation as a whole as well as the particular interests of each individual citizen.

Dao Duy Tung Attends Cadre Training Seminar

BK1810134993 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 15 Oct 93

[Text] In Hanoi on 15 October, the Nguyen Ai Quoc School held a seminar on training and fostering intermediate and high-ranking cadres of the party and state. Attending the function were Comrade Dao Duy Tung, member of the Communist Party of Vietnam [CPV] Central Committee Political Bureau, leaders of agencies and sectors concerned, and representatives from provinces throughout the country.

The seminar noted that the school should improve teaching and learning methods to enhance the quality of students in accordance with the standard set by the Seventh CPV Congress. Efforts should be made to improve training activities, strengthen curriculum, and design appropriate study programs to meet requirements for the bachelor's degree in political science. To achieve this goal, we must strive to enhance the background of our contingent of lecturers and teachers to enable them to resolve daily issues on the basis of adhering to the revolutionary principles of Marxism-Leninism and Ho Chi Minh thought. Effort must also be made to renovate teaching programs and strengthen training activities so as to enhance the quality of cadres at the provincial and district levels, thereby being able to catch up with the renovative lines of the party and objective reality in the daily life.

Party Leaders Attend Marxism-Leninism Seminar

BK1710113393 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 16 Oct 93

[Text] For three days, from 14 to 16 October, at the Ho Chi Minh Museum, the guiding committee for the state project KX-10 held a seminar entitled "Marxism-Leninism in Our Time."

Among those attending were Comrades Dao Duy Tung, member of the party Central Committee Political Bureau and secretary of the Central Committee; Nguyen Duc Binh, member of the party Central Committee Political Bureau; Nguyen Dinh Tu, Central Committee secretary; and many other leaders, researchers, and political theorists.

In their dissertations delivered at the seminar, various participants focused on theories and realities to prove their confirmation that Marxism-Leninism and the thoughts of Ho Chi Minh are the ideological foundation and direction for all actions of our party and people. Our party has enabled our people to defeat highly aggressive enemies and to safeguard the achievements of the August Revolution and the independence, freedom, unification, and integrity of our fatherland, and has led our people in building socialism in accordance with party lines.

In some dissertations, it was stressed that against the background of recent complicated developments in the world and of the many difficulties we have been facing ourselves, our firm hold of Marxism-Leninism and thoughts of Ho Chi Minh has helped us to record significant achievements in all fields of our renovation undertaking. These achievements are evidence of the dynamic force in our party's renovation policy, which has creatively applied Marxism-Leninism and the thoughts of Ho Chi Minh to the country's realities.

The seminar attendants also discussed a number of core issues of Marxism-Leninism that will be included in the official national education program.

Government Issues Precious Stones Ordinance

BK2010133993 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 15 Oct 93

[Text] The government recently issued an ordinance providing stipulations on geological surveys, mining exploitation, depositing and trading in precious stones. The exploitation of precious stones as well as the establishment of firms dealing in precious stones must have permission from the prime minister.

All activities relating to geological surveys, depositing or trading in precious stones, including import-export activities, must comply with this ordinance and must be placed under the control and inspection of the relevant state management authorities and of the various levels of the local administration.

The ordinance stresses that the State Bank must exercise uniform management over the country's imports and exports of precious stones and establish gem stores abroad. The trading in unprocessed precious stones in Vietnam must be carried out at licensed centers or stores. The ordinance also encourages scientific centers, universities, and research centers to verify the quality of precious stones produced by those firms that develop, refine, or verify the quality of precious stones.

TAP CHI CONG SAN for Oct Reviewed

BK1910125393 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 17 Oct 93

[Summary] The magazine started with an article entitled "Firmly Protect Social Safety and Order" by Bui Thien Ngo, member of the party Central Committee Political Bureau and interior minister. The author analyzes measures to be implemented in the new situation to firmly maintain social safety and order.

—Article by Deputy Prime Minister Tran Duc Luong entitled "Some Key Issues in Rural Socioeconomic Development."
—Article by Nguyen Van Tu, chairman of Confederation of Vietnamese Workers, entitled "Vietnamese Trade Unions in The Market Economy" discussing roles and tasks of trade unions toward party and workers in the new situation.
—Article by Le Ninh entitled "Hold Firmly Party Lines on Religions in Current Situation" outlining changes of party policy towards religions in past years.
—Article by editorial staff entitled "Women's Liberation, an Inportant Objective in the Renovation Undertaking" saying that women themselves should be the strike force in liberating women.
—Article by Trinh Xuan entitled "What is the Realistic Socialism?" reviewing the book by Hoang Chi Bao entitled "Realistic Socialism: Crisis, Reform, and Development Trend", published by National Politics Publishing House.
—Article by Do The Tung entitled "Looking Back the Renovation Process of Party Theories on Development of Merchandise Economy".
—Article by Le Sy Duoc, director of Head Government Office, entitled "Preliminary Thoughts on Administration Reform".
—Article by Nguyen Van Thu entitled "Technological Revolution: Challenges, Opportunities, and Costs."
—Article by Tien Giang Party Committee Secretary Huynh Van Niem entitled "Rural Agriculture in Tien Giang, Direction and Realities".
—Article by Hoang Dinh Phu entitled "Culture and Environmental Development."
—Article by Le Doan Ta entitled "Nguyen Ai Quoc Party School, First Region, Actively Contributes to Training and Developing Cadres."
—Article by Doan Hue titled "Ea Xe, A Lighted Spot in The Central Highlands."
—Article by Hoai Anh discussing bad human passions like jealousy and prejudice.
—Article by Duong Tung reviewing a new play.
—Article by Sen. Colonel Tran Trong discussing international economic competition in post-cold war era.
—Documentary outlining experiences in fighting corruption of Singapore and South Korea.

Australia

Keating Confident Budget To Pass Within Week

BK2010022893 Melbourne Radio Australia in English 0100 GMT 20 Oct 93

[Text] The prime minister, Paul Keating, will leave to attend the Commonwealth Heads of Government Conference in Cyprus today, confident that the federal budget will be passed within a week or so. In a deal between the federal government and the West Australian Green senators, the wholesale tax rises will be offset by $144 million compensation package. Graeham World reports that Mr. Keating is pointing to consistent signs of the economy picking up.

[Begin recording] [World] He says the budget deal means the tax cut will now be paid on time in November after most of the budget is passed.

[Keating] The good news for the country is that the budget will go through largely in terms of funding, and that in tracking down to a deficit of around one percent of GDP, it will be about a third of the American deficit. [end recording]

The government is also close to reaching agreement with the Greens on the wine tax and likewise with the Democrats on a lead reduction strategy for petrol. The Democrats have welcomed the end to the budget impasse. The opposition is claiming credit, saying its stand against tax increases enable the minor parties to force a deal with the government to compensate low income earners.

Evans Praises Indonesian Response to Java Incident

BK2010022293 Melbourne Radio Australia in English 0100 GMT 20 Oct 93

[Text] Australia has praised Indonesia's Government for a speedy and positive response to the killing of villagers protesting at a dam project in East Java. Foreign Minister Gareth Evans said Indonesia had acknowledged the seriousness of the Madura shooting incident last month in which four people were killed. Senator Evans said Indonesia had said it would take action against those responsible for the killings. He said Indonesia's willingness to respond would satisfy international opinion. The foreign minister said Jakarta's welcome response showed it was concerned at some of the incidents that had taken place in parts of Indonesia.

Navy Receives Newest Guided Missile Frigate

BK2010060493 Melbourne Radio Australia in English 0500 GMT 20 Oct 93

[Text] The Australian Navy will today take possession of its newest warship, the guided missile frigate Newcastle. The Newcastle is the sixth guided missile frigate to enter service and will be handed over to the navy at Williamstown in Melbourne. An Australian navy spokesman, Commander (Rowen Maufford), says the $700 million vessel has been completed on budget and ahead of schedule.

New Zealand

Minister Condemns Russian Nuclear Dumping

BK2010012493 Hong Kong AFP in English 2248 GMT 19 Oct 93

[Text] WELLINGTON, Oct 20 (AFP)—New Zealand Wednesday condemned Russian dumping of nuclear waste in the Sea of Japan. In a statement Foreign Minister Don McKinnon said it was "very disappointing" to see a global moratorium on the dumping of nuclear waste being ignored. Russia's Ministry of the Environment has confirmed it dumped 900 cubic metres (1,170 cubic yards) of low level radioactive wastes about 100 kilometres (60 miles) south of Nakhodka, Japan. A further 800 cubic metres is to be dumped. McKinnon said Russia did have a waste problem, but the answer was not dumping it in [words indistinct]."

"We must protect the marine environment from this sort of abuse," McKinnon said.

Fixed Asset Spending Boosts Economic Activity

BK2010013093 Hong Kong AFP in English 0115 GMT 20 Oct 93

[Text] WELLINGTON, Oct 20 (AFP)—A surge in spending on fixed assets has boosted the expenditure-based measure of economic activity by 1.3 percent in the June quarter, Statistics New Zealand (SNZ) said Wednesday. It is the latest in a stream of economic indicators showing New Zealand's prolonged recession was over and the country was beginning to enjoy an economic boom.

The Central Reserve Bank has also suggested an economic upturn is underway while economic rating agencies Standard and Poors and Moody's have said upgrades are likely following a general election November 6.

SNZ said expenditure on fixed assets was up 14.4 percent in the quarter and 9.2 percent over the year ended June 30, reflecting business confidence and rising profits. The increase was greatest in plant and equipment. It was 28.5 percent higher than for the same quarter last year.

Investment in new buildings rose by 6.1 percent, while spending on transport equipment fell. The level of spending on capital goods was returning to 1990 levels, the previous high point of the series, though it still had some way to go, SNZ said. Overall internal demand is now 6.3 percent higher than in the June quarter last year, including a 3.8 percent rise in household expenditure.

Papua New Guinea

Earthquakes Force Premier To Cancel Cyprus Trip

BK1710075393 Melbourne Radio Australia in English 0500 GMT 17 Oct 93

[Text] The Australian Seismological Center says Papua New Guinea [PNG] can expect to be jolted by aftershocks for some times following the country's fourth disaster earthquake in just four days. The last tremor, which measured 6.8 on the Richter Scale, hit the same mountainous region where three quakes on Wednesday killed 58 people. Port Moresby correspondent Sean Dorney reports the emergency has prompted Prime Minister Paias Wingti to cancel his planned trip to the Commonwealth Heads of Government Meeting in Cyprus.

[Begin Dorney recording] Mr. Wingti said the latest earthquake puts the emergency relief efforts back to where it was last Wednesday. He said disaster officials would have to go over the whole area again which would be no easy task because of the difficult terrain. The PNG government's senior geologist is now in the area and he'll be advised on the relocation of people from villages still under threat. [end recording]

Vanuatu

Premier Hails Progress in Nuclear Test Ban

BK1910074293 Melbourne Radio Australia in English 0500 GMT 19 Oct 93

[Text] Vanuatu's prime minister, Maxime Carlot Korman, has welcomed progress towards the treaty banning the production and use of nuclear, chemical, and biological weapons. He was speaking in Mauritius at the fifth summit of heads of government from 47 French-speaking countries. Without mentioning China's recent underground nuclear test, Mr. Carlot Korman said other countries should take as an example France's moratorium on atomic testing at Muroroa Atoll. The prime minister also said he hope French would be introduced as an official language for various Pacific organizations. Mr. Carlot Korman said he would particularly like to see included in the curriculum of the University of the South Pacific [USP] and also a cooperation agreement between the USP and the University Francais de Pacific based in New Caledonia.